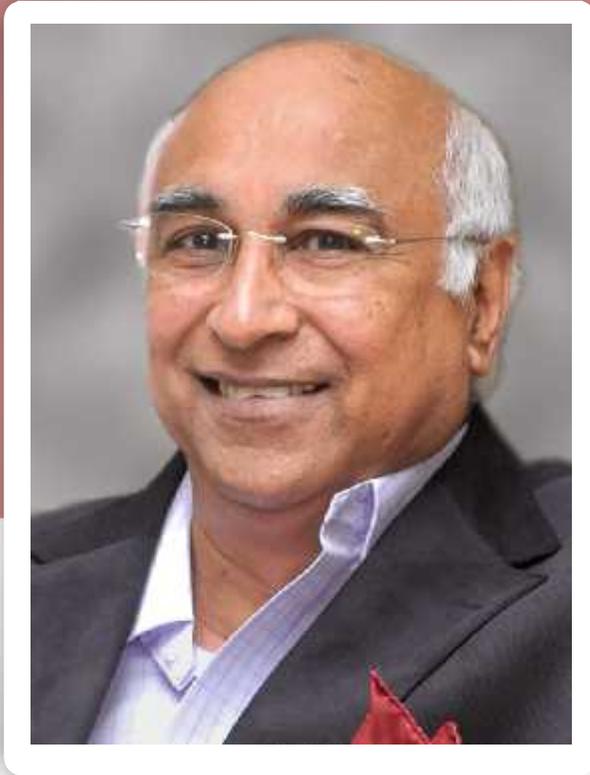


Anil Limited

Anil

ANNUAL 2010
REPORT 2011





LATE SHRI SHRIPAL SHETH

(Chairman & Managing Director)

1939 to 2010

We deeply mourn the sad demise of Shri Shripal Sheth, our late Chairman who left us for his heavenly abode on 26th December, 2010. Under his visionary leadership the company grew from strength to strength in last 5 decades and the all round growth & the development in various fields can surely be attributed to his multi-faceted personality, dynamism and unbounded spirit. He put the company on the growth path and set the course for its future direction. The true tribute to him from all the company's stakeholders would be to continue to grow this company further & farther along the lines of his vision, which would have made him proud.

Vision

Drive growth through Technology Excellence and expand into new, global markets with specialty products manufactured through Bio and Polymer technology to achieve a dominant player status

INDEX



▶ Management Discussion and Analysis	01
▶ Directors Report	05
▶ Corporate Governance Report	11
▶ CSR at Anil	21
▶ Auditors Report	22
▶ Balance Sheet	26
▶ Profit and Loss Account	27
▶ Cash Flow Statement	28
▶ Schedules forming part of the Balance Sheet and Profit and Loss Account	30
▶ Notes to Accounts	36
▶ Balance sheet Abstract and Company's General Business Profile	49
▶ Auditors Report on consolidated Financial Statement	50
▶ Consolidated Balance Sheet	51
▶ Consolidated Profit and Loss Account	52
▶ Schedules forming part of the consolidated Balance Sheet & Profit and Loss Account Notes to consolidated Accounts	53

COMPANY INFORMATION



Shri Amol S. Sheth
Chairman & Managing Director



Shri Kamal R. Sheth
(Independent Director)



Shri Anish K. Shah
(Independent Director)



Smt. Indira J. Parikh
(Independent Director)

CHIEF FINANCIAL OFFICER

Shri Dipal Palkhiwala

COMPANY SECRETARY

Shri Chandresh Pandya

AUDITORS

M/s. Parikh & Majmudar
Chartered Accountants

BANKERS

Bank of India | Punjab National Bank | IDBI Bank

REGISTERED OFFICE

P. O. Box – 10009,
Anil Road, Ahmedabad – 380 025
Tel: 079 – 40282000
Fax: 079 – 40282001
E-mail: investor-relations@anil.co.in
Website: www.anil.co.in

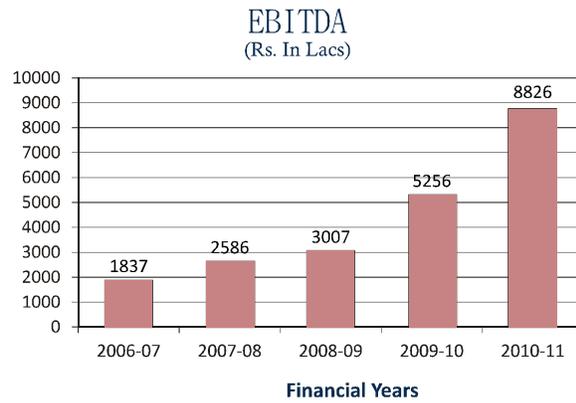
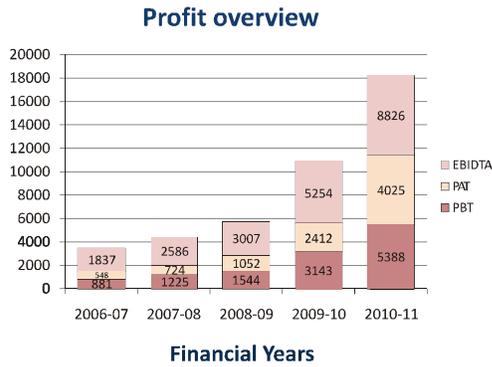
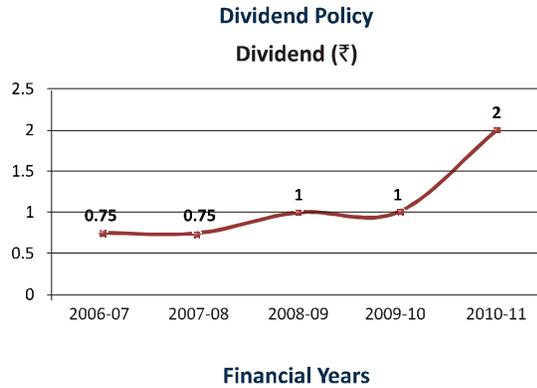
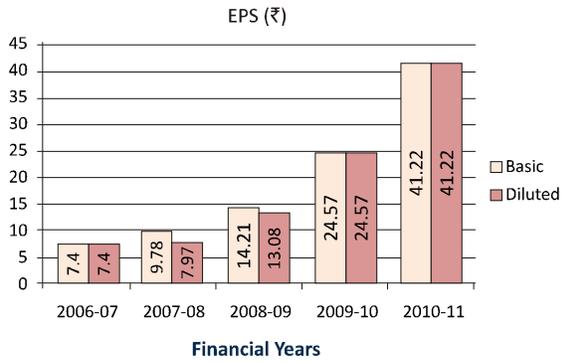
PLANT LOCATION

Anil Road,
Ahmedabad – 380 025

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.
Unit: Anil Limited
211, Sudarshan Complex,
Near Mithakhali Under Bridge,
Navrangpura, Ahmedabad – 380 009
Phone: 91-79-2646 5179
Fax No. 91-79-2646 5179
Email: ahmedabad@linkintime.co.in

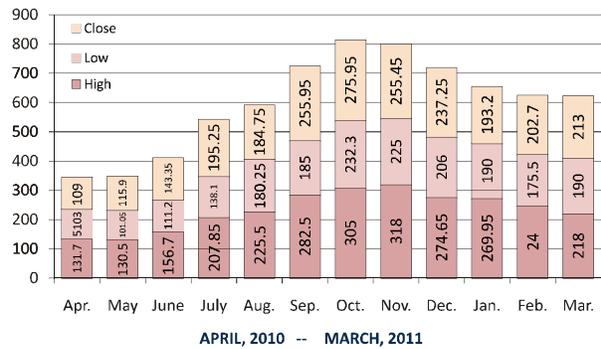
FINANCIAL HIGHLIGHTS



Earnings In Foreign Currency



Market Price Data



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE & DEVELOPMENTS

In 2010 – 11, Indian economy has been characterized by robust economic growth and steady fiscal consolidation. The economy emerged with growth of 8.6 percent (advance estimate) in 2010-11 and is expected around 8.2 percent next year. This growth is also broader: agriculture is rebounding, manufacturing continues its momentum, and private services are picking up.

Growth in the industrial sector was buoyant during the first two quarters (April-June, July-September) of the financial year. The manufacturing sector, in particular, showed a remarkable robustness, growing at rates of 12.6 percent and 9.9 percent respectively, during these two quarters. Thereafter industrial output growth has begun to moderate. This compares with global trends as global manufacturing continued to rebound post crisis till the first half of 2010 and has thereafter moderated.

Maintaining a close check of the prevailing trend in its end-user industries, Anil Limited has charted a roadmap which provides ample scope of business potential and revenue generation in the long run.

SEGMENT-WISE STRUCTURE (IN BRIEF)

Food (Food Processing, Beverages, Confectionaries) Industry

India is one of the world's largest producer as well as consumer of food products. Food and food products are the biggest consumption category in India, with spending on food accounting for nearly 21% of India's GDP and with a market size of USD181 billion. Increased income levels, cheap credit facilities, higher disposable income have resulted in greater spending and consumption among consumers. Increased mobility, exposure, increased aspirations and availability of a wider range and products, have also contributed to shifts in spending orientation.

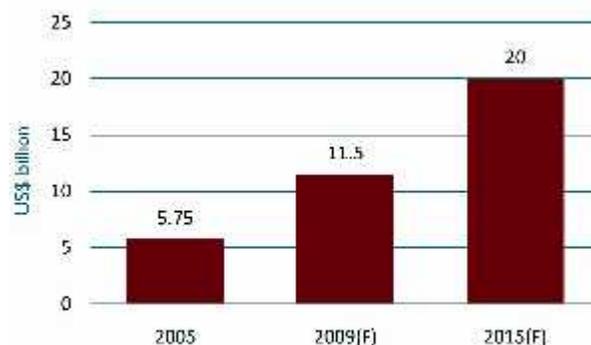
Indian non-alcoholic drinks market was estimated at around US\$ 4.43 billion in 2008 and is expected to grow at a CAGR of around 15 percent during 2009-2012. The fruit/vegetable juice market will grow at a CAGR of around 30 percent in value terms during 2009-2012, followed by

the energy drinks segment which will grow at a CAGR of around 29 percent during the same period.

The Indian Confectionery Business is about ₹ 4100 crores (9% CAGR for the past 5 yrs). Industry statistics reveal 18 percent market share for hard-boiled candies, toffees followed by 13 percent for gums and mints. With presence of young demography, higher disposable income and more urbanization, the industry is expected to grow wherein companies can look forward to foreign collaborations, and tie-ups in bringing new products and technology.

For the Food Industry, Anil Limited has developed and introduced a range of speciality starches and starch derivatives to be used as a sweetener, thickener and for texture and taste improvement. These products offer high level of stability against acidic condition of food, high temperature and shear during the processing of various packaged food, beverages and confectionaries. Some of these products provide freeze thaw stability to food products.

Market size of the Indian pharmaceutical industry



Sources: Taking wings, Ernst & Young, 2009; "Indian pharma market valued at over Rs 55K crore in FY'10,"

Pharmaceutical Industry

India's pharmaceutical industry is the third largest in the world in terms of volume and stands 14th in terms of value. The domestic pharma sector continued its strong show in 2010 and recorded a 16.5 percent growth during January-December. In 2010, the Indian Retail Pharmaceutical Market was valued at US\$ 10.2 billion, growing at 16.5 percent over 2009. As per market research reports, Indian generic drug market to expected to grow at a CAGR of around 17 percent between 2010-11 and 2012-13. The healthcare sector has attracted growing investor support in 2010 with nearly a tenth of the total private equity funding going to this sector. The

consistently rising financial numbers are indicative of growth potential in the pharmaceutical industry.

In this sector also, Anil has introduced some niche starch derivatives and speciality ingredients for IV fluid applications.

Animal Healthcare (Feed / Livestock) Industry

During previous decade, production of total compound feed by members of Compound Livestock Feed Manufacturer's Association (CLFMA) increased from 2.79 million tonnes (2001-02) to 3.77 million tonnes (2008-09). The production of compound poultry feed has shown an increase over the years. Total feed consumption in India is estimated at 21.4 metric tonne in the organized sector, comprising 7 metric tonne broiler feed, 8.5 metric tonne layer feed, 5.5 metric tonne dairy feed, 0.25 metric tonne shrimp feed, 0.1 metric tonne fish feed, and 0.05 metric tonne for other species.

Anil Limited has created its own niche in catering to requirements of Animal Healthcare Industry by developing innovative speciality Feed Pre-mixes and Biological agents. These products are used to improve the feed utilization resulting in giving more ME to the animals, thus improving the FCR (food conversion ratio).

Paper Industry

The Paper Industry in India is witnessing significant growth and capacity expansions to meet the growing demand for paper consumption as a result of growth in education sector and increasing literacy rate. Indian paper industry is poised to grow and touch 11.5 million tonnes from 9.18 million tonnes to 2011-12 from 2009-10 at the rate of 8% per annum. Per capita paper consumption increased to 9.18 kg on 2009-10 as compared to 8.3 kg during 2008-09.

The 5.6% cumulative annual growth rate in paper consumption (excluding newsprint segment) over the last five years has prompted Indian paper manufacturers to undertake significant capacity expansions. With closure of paper mills in European countries, there exists new opportunity for Indian paper mills to explore export markets. Paper consumption is increasing due to packaging requirements, government literacy programs and policy of using more paper bags than plastic. With reduction in import duty on waste paper from 5% to 2.5% announced in Budget 2011-12, paper mills will be benefited. Increased economic activity is providing the players an opportunity for growth and expansion.

Anil Limited has introduced a range of modified starches for wet-end and size press applications in paper mills replacing a range of chemicals. These products have capability to be used in high speed paper machines. We have just completed laboratory and pilot scale work for a premium category speciality starch to be used as adhesives for paper packaging applications. The introduction of this product brings a new dimension in the paper packaging application. We are in the process of commercializing this product in India as well as global markets in the coming fiscal.

Textile Industry

The Indian textile industry contributes about 14 percent to industrial production, 4 percent to the country's gross domestic product (GDP) and 17 percent to the country's export earnings. The total cloth production has increased by 2.9 percent during December 2010 as compared to December 2009. The highest growth was observed in the power loom sector (3.7 percent), followed by handloom sector (3.3 percent). The total cloth production during April-December 2010 increased by 2.3 percent compared to the same period of the previous year. The production of spun yarn and cotton yarn increased by 6.0 percent and 8.6 percent, respectively during December 2010 as compared to December 2009. The total textile exports during April-September 2010 (provisional) were valued at US\$ 11275.58 million as against US\$ 10115.78 million during the corresponding period of the previous year, registering an increase of 11.47 percent.

Anil Limited, during 2010-11, successfully completed trials on introducing three modified starches for Textile Industry. These modified starches offer better weaving efficiency at low consumption level and replace conventional sizing ingredients like native starch, chemicals, adhesives, etc. All the three products also help in better subsequent processes like desizing, bleaching, etc.

CONCLUSION

With increasing demand for Food, Pharmaceutical, Animal Health Care, Paper and Textile products, demand for our specialty starches and derivatives is consistently increasing. Due to attractive export opportunities and increase in global consumption of these products we are all set for sustainable growth path. Our acceptability as a global player is now being established and demand is expected to grow further from Asian, African & European countries.

OPPORTUNITIES, THREATS, RISKS & CONCERNS

Opportunity

With Foreign Direct Investment being allowed in the retail sector and consequent entry of large international retail chains, the FMCG industry will see some structural changes happening which could result in a strong growth momentum. Anil Limited is gearing up to capitalize on this opportunity by putting in place a specialized sales structure dedicated to cater to the emerging opportunities. On the production side, the location of our plants deriving fiscal benefits, coupled with procurement and supply chain efficiencies, we will be able to maintain good margins.

India has set itself a target of doubling its processed food production by 2015, and will set up 10 food technology parks during the next year with a view to achieving this. Organized retail today provides a national market for processed food. Large corporations are entering and strengthening their presence in this sector. It is expected that in future bulk investments and modern food processing technologies are going to turn the fortune for Indian food processing industry. Innovation in the food and beverage market will create innumerable opportunities for corn wet milling industry.

Threats / Risk

Uncertainties in business offer opportunities and downside risks. Consequently, your Company recognises the importance of a well structured system to identify and manage the different elements of risk. Anil Limited has introduced a risk-based control system and appointed risk officers across all Company locations. The basis of this process driven risk management system is the risk register that not only lists a comprehensive set of risks across 15 functional domains but also states control tools under process owners that are there to minimise each risk. The inherent risks across operational, strategic and tactical issues are mapped in terms of likelihood of occurrence and materiality. Some key areas where risks have been identified and mitigation tools put in place are:

- **Finance and Treasury risks** – apart from regular risks like authorisation risks, reporting risks and exposure risks, Anil Limited, with an increasing international presence, is continuously exposed to risks associated with foreign exchange fluctuations.

Like any other Company, Anil Limited is also exposed to risks attached to economic and political uncertainty.

- **Supply chain and procurement risks** – These are risks associated with the market dynamics of the Company's inputs, where the Company needs to take positions. There are systems in place that enhance transparency and scientific decision making in procurement and production planning. Many of the Company's inputs' are in the nature of herbs and plant extracts, some of which are endangered. Your Company has put in place a system of backward linkages where contract farming of such inputs is promoted.
- Other set of risks deal with development and retention of human resources, compliance and regulatory activities, data security and recovery systems across the company's IT infrastructure and issues related to quality and research and development. The Company is putting in place a Business Continuity Plan and a Disaster Recovery Plan to mitigate risks in the event of unforeseen exigencies.
- The enterprise-wide risk management system analyses and deals with these risks based on the overall objective with a focus on identifying, assessing and subsequently developing controls to minimise risks. The framework so designed ensures adherence to the rules, regulations and internal policies of the company.

Review of Operations

As part of our long-standing commitment to environmental safety and protection, an ultra-modern effluent treatment plan and an elaborate environmental management system has been commissioned. Your Company believes that with its superior technology, modern manufacturing processes and exacting quality control procedures this plant will go a long way in further strengthening market position of Anil Limited.

FUTURE OUTLOOK

Starch and its derivatives have emerged as the most promising environment friendly ingredient over the years and offers varied application benefits in both food as well as non-food industries. With growing consumption

of modified starches and starch derivatives, the global starch market is poised for growth in the next few years. The speciality starch market is projected to be the fastest growing segment over the period 2009 – 2015. This growth is primarily due to the rising health awareness across the globe and growing functional and nutritional needs in global economies, which demand use of innovative products keeping environmental aspects intact.

India has incredible opportunities in the field of food processing because of diverse agro-climatic zones, growing population, favourable demographic profile making it one of the largest consumption hubs. There has been a steady increase in demand of starch in Food & Beverage industry due to high prices of sugar, thereby starch acting as an alternative. Starch has emerged as an environment friendly alternative to plastics in many applications like carry bags. Use of starch in manufacture of ethanol and biodegradable plastics can potentially transform starch industry's size and prospects.

In pharmaceutical industry, starch consumption is likely to witness significant growth since bottling facilities are expanding and IV fluid manufacturers are growing above 15% per annum. India accounts for a turnover of about \$10b with an average growth of 10% over the past 5 yrs. In 2010-11 the growth is at 15%.

The textile industry in India is likely to witness growth due to high manufacturing costs in China and recovery

of US and European markets will lead to increase in demand. With growing purchasing power of Indian consumers, demand for high-end products is increasing.

INTERNAL CONTROL AND ADEQUACY

The Company has adequate internal control systems commensurate with the size of its operations and nature of its business. The internal audit is regularly conducted to review internal control systems, to examine their adequacy and suggest improvements for their effective observation and implementation.

CONTINGENT LIABILITIES

Details of contingent liabilities are given in Schedule 21 of balance sheet and profit and loss account.

CAUTIONARY STATEMENT

Statement in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable securities, law and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.

DIRECTORS' REPORT

Dear Members,

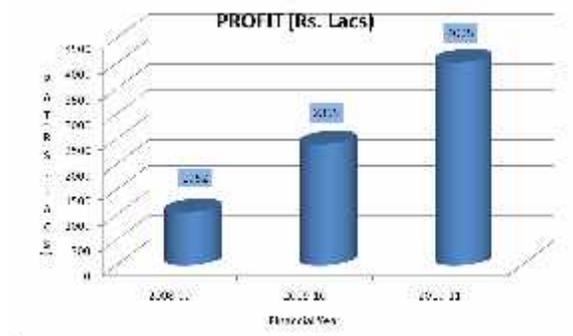
Your Directors have pleasure in presenting the Annual Report and Audited Accounts of the Company for the year ended March 31, 2011.

FINANCIAL RESULTS

The summary of financial results for the year under review is given below:

(₹ in Lakhs except per share data)

Particulars	2010-11	2009-10
Sales & Operating Income	50,408	37,410
Operating Profits (PBDIT)	8,827	5,256
Less Depreciation	643	519
Less Net Interest Expenses	2,796	1,595
Profit Before Exceptional Items & Tax	5,388	3,142
Less Exceptional Items	-	-
Less Tax Expenses	1,373	731
Less Short/Excess Pro Of earlier year w/o	22	-
Profit After Tax	3,993	2,411
Add Prior period adjustments	32	(12)
Net Profit for the year	4025	2,399
Balance brought forward	4343	2,308
Distributable Profits	8368	4,707
Appropriated as under:		
Transfer to General Reserve	400	250
Proposed Equity Dividend	195	98
Dividend Distribution Tax	32	16
Balance Carried Forward	7741	4,343
Earning Per Share (₹ per share)		
- Basic	41.22	24.57
- Diluted	41.22	24.57



Analysis of Profit:

OPERATIONS AND REVIEW

The Company continued to see strong and profitable growth in the financial year 2010-11 driven by good performance in existing and new business. During the year under review the Company has achieved total revenue mark of ₹ 500 crores. There has been a focus on improving efficiency in the utilization of Manpower, Machinery, Money and Material. The improvement in demand supply position, change in product mix and focused cost reduction measures have lead to improvement in overall profitability and productivity.

The Company has recorded sales and operating income of ₹ 50,408 Lakhs (from ₹ 37,410 lakhs for previous year at a growth rate of 34.75%). The operating profit or the year under review increased to ₹ 8,827 Lakhs as against ₹ 5,256 Lakhs in the previous year registering a growth of 67.94%. The profits after tax for the year under review increased to ₹ 4025 Lakhs as against ₹ 2399 Lakhs in the previous year registering a growth of 67.78%.

DIVIDEND

Considering the improved financial performance of the Company, Your board has recommended a dividend of ₹ 2.00/- per equity share (previous year ₹ 1.00/- per equity share) of face value ₹ 10/- each for the year ended March 31, 2011. The dividend, if approved by the shareholders, will be paid to the eligible shareholders within the period stipulated under the Companies Act, 1956. The proposed dividend would be tax free in the hands of the shareholders.

The Company proposes to transfer ₹ 400 Lakhs to General Reserve out of the amount available for appropriation and amount of ₹ 7741 Lakhs is proposed to be retained in Profit and Loss Account.

MANAGEMENT DISCUSSION AND ANALYSIS (MDA):

The Management Discussion and Analysis Report as required under clause 49 of the Listing Agreement with the Stock Exchange has been attached and forms part of this Directors' Report As Annexure I.

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS:

During the year under review, your Company has incorporated two wholly owned subsidiaries, one each at Ajman free Zone, United Arab and Rotterdam, Netherland under the name of Anil Bioplus (Afro-Asia) FZE and Anil Bioplus (Europe) B.V. respectively.

As required under the Listing Agreement with the Stock Exchanges, Consolidated Financial Statements of the Company have been prepared in accordance with Accounting Standards 21 and 23 issued by the Institute of Chartered Accountants of India and attached herewith.

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of Subsidiary Companies have not been attached with the Balance Sheet of the Company. The Company will make available the Annual Accounts of the Subsidiary Companies and related detailed information to any member of the Company who may be interested in obtaining the same. The Annual Accounts of subsidiary Company will also be kept open for inspection at the Registered Office of the Company and that of the respective Subsidiaries Company. The Consolidated Financial Statements presented by the

Company include the financial results of its Subsidiary Companies. The Statement pursuant to Section 212(1)(e) of the Companies Act, 1956 in respect of Subsidiaries is attached herewith as Annexure II.

DIRECTORS

Shri Anish K. Shah retires by rotation as director at the upcoming Annual General Meeting and being eligible offers himself for re-appointment. Shri Anish K. Shah, aged about 45 years, is B. E. by qualification. He is having wide experience in the field of business administration. He is a member of Audit Committee & Share Transfer-cum-Investor Grievances Committee and Chairman of the Remuneration Committee of the Company. He does not hold any shares of the Company.

The Board recommends his re-appointment at the forthcoming Annual General Meeting of the Company.

AUDITORS

M/s. Parikh & Majmudar, Chartered Accountants, Ahmedabad retire as auditors of the Company at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment as Auditors. The Audit Committee of the Board of Directors of the Company and Board of Directors has recommended that M/s. Parikh & Majmudar, Chartered Accountants, be appointed as auditors to hold office until the conclusion of the next Annual General Meeting. The Company has received confirmation that their appointment will be within the limits prescribed under section 224 (1B) of the Companies Act, 1956.

COMMENTS ON AUDITORS' REPORT

With regard to the qualification contained in the Auditors' Report, explanations are given below:

Note No. 4 (f) (i) of the Auditors' Report:

The Observations of the Auditors has been considered by the Directors. We shall do needful for the same during current year.

PUBLIC DEPOSITS

During the year under review your Company has neither accepted nor renewed any Public Deposits. Your Company has no overdue deposits but deposits aggregating to ₹ 27.97 Lakhs from 199 depositors though matured, had neither been claimed nor renewed until March 31, 2011.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 217 (2AA) of the Companies Act, 1956, in relation to the financial statements for the year ended on March 31, 2011, the Board of Directors state that:

- (i) the applicable accounting standards have been followed in preparation of the financial statements and there are no material departures from the said standards;

- (ii) in order to provide a true and fair view of the state of affairs of the Company as on March 31, 2011 and the profits for the period ended on that date, reasonable and prudent judgments and estimates have been made and generally accepted accounting policies have been selected and consistently applied;
- (iii) proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the financial statements have been prepared on a going concern basis.

INSURANCE

The Company's buildings, plant and machineries, stocks and other properties wherever necessary and to the extent required have been adequately insured.

INDUSTRIAL RELATIONS

Relations with the Staff members and the workmen continued to be cordial and satisfactory during the period under review. The Directors acknowledge and appreciate the determination and sincere efforts of all employees.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pursuant to section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, relating to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is annexed to this report as Annex. III.

CORPORATE GOVERNANCE

Your company has complied with the requirements regarding Corporate Governance as required under Clause 49 of the Listing Agreement entered into with the Stock Exchange, where the Company's shares are listed over the year and it is a continuous and ongoing process. A separate report on Corporate Governance and Management Discussion & Analysis Report forms part of the Annual Report. A certificate from Practicing Company Secretary regarding compliance of conditions of corporate governance forms a part of this report as Annex 2.

PARTICULARS OF EMPLOYEES AS PER SECTION 217(2A) OF THE COMPANIES ACT, 1956

The information required under sub section (2A) of section 217 of the Companies Act, 1956 read with the companies

(Particulars of Employees) Rules, 1975, in respect of certain employees of the company are as under:

- (a) Employees employed throughout the year and who were in receipt of remuneration of not less than ₹ 60,00,000/- per annum in terms of section 217 (2A) (a) (i) – None.
- (b) Employees employed for the part of the year and who were in receipt of remuneration of not less than ₹ 5,00,000/- per month in terms of section 217(2A) (a) (ii) – None.
- (c) None of the employee is covered under section 217 (2A) (a) (iii).

COST AUDITORS

In accordance with the requirements of Central Government and pursuant to Section 233B of the Companies Act, 1956, your directors have appointed M/s. R. Nanabhoy & Co., Cost Accountants, Mumbai as the Cost Auditor of the Company for the financial year ending on March 31, 2011.

COMPULSORY TRADING IN DEMAT MODE

Trading of the equity shares of your Company are being traded compulsorily in DEMAT form from 23/03/2001 pursuant to circular of SEBI.

CHANGE OF NAME OF THE COMPANY

During the year under review name of your company has been changed from Anil Products Limited to Anil Limited. Your Company has complied with all applicable provisions of Companies Act, 1956 and as on date of this Report, the name of the Company has also been changed on the BSE website with ticker name as "Anil Limited" under Scrip Code 532910. In this report, any reference to Anil Products Limited should be read as Anil Limited.

ACKNOWLEDGEMENTS

Your Directors place on record their sincere appreciation for the continued co-operation extended to the Company by the Banks, Business associates, Government of India, State Government and various departments and agencies.

Your Directors also place on record their deep sense of appreciation for the dedicated services rendered by the employees of the Company. Your Directors also take this opportunity to thank all its investors and stakeholders for their continued support and look forward to having the same support in all future endeavors.

For & On behalf of the Board
Sd/-

Place : Ahmedabad

Amol S. Sheth

Date : May 12, 2011 Chairman & Managing Director

Annexure II

**STATEMENT PURSUANT TO SECTION 212 (1) (e) OF THE COMPANIES ACT, 1956, RELATING TO
SUBSIDIARY COMPANIES**

Particulars	Name of Subsidiary	
	Anil Bioplus (Afro-Asia) FZE	Anil Bioplus (Europe) B.V.
Financial year Ended	March 31, 2011	March 31, 2011
Holding Company's Interest	100% in Eq. Share Capital	100% in Eq. Share Capital
Shares held by Holding Company in Subsidiary	1 Share	1 Share
The Net Aggregate of Profits or losses for the above financial year of the subsidiary so far as it concerns the members of the holding company	(912840)	(328660.08)
a. Dealt with or provided for in the accounts of the holding Company.		
b. Not dealt with or provided for in the accounts of the holding Company		
The Net Aggregate of Profits or losses for the previous financial years of the subsidiary so far as it concerns the members of the holding Company	---	---
a. Dealt with or provided for in the accounts of the holding Company		
b. Not dealt with or provided for in the accounts of the holding Company		
Statement of Changes under section 212 (5) of the Companies Act, 1956:		
(i) Fixed Assets, Capitalised Assets & WIP	---	---
(ii) Investments	---	---
(iii) Monies Lent	---	---
(iv) Monies Borrowed / Term Loan for its ongoing project from the Banks / Financial Institutions	---	---

For and on behalf of the Board of Directors

Amol Sheth
(Chairman & Managing Director)

Kamal Sheth
(Director)

Dipal Palkhiwala
(Chief Financial Officer)

Chandresh Pandya
(Company Secretary)

ANNEXURE TO THE DIRECTORS' REPORT

Particulars of conservation of energy, technology absorption and foreign exchange earnings and outgo in terms of section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY:
(a) Energy Conservation measures taken:

Your Company has always been conscious of the need for conservation of energy and has been steadily making progress towards the same. The conservation of energy resources is an ongoing process at the Plant and the Company is constantly striving to improve the performance so as to reduce energy consumption. The Company lays great emphasis on the conservation of energy and as part of continuous efforts for conservation of energy, several measures were taken such as during the year company has installed anaerobic digestion facility to treat biological effluent which generates biogas which is being collected in gas holder and distributed to Boilers through automatic Burner management system in addition to coal / lignite as secondary fuel source.

(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

Energy conservation measures have been given topmost priority across all the plants. A specific task force team has been formed to identify areas for saving in the steam and power cost. The team has been identifying areas for reduction in steam and power consumption as well for bringing in efficiencies in steam generation. Help of external experts in the field of energy has also been taken to identify areas and ways of reducing cost of energy. A study had been conducted across the entire factory to identify areas having a scope of energy saving.

(c) Impact of the measures taken at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

The measures taken have resulted in lower energy consumption. As a result of installation of anaerobic digestion and usage of biogas in boiler company has achieved significant saving in fuel by 10 – 15%.

(d) Total energy consumption per unit of Production:
FORM A
I. POWER AND FUEL CONSUMPTION:

Sr.	Particulars	2010-11	2009-10
1.	ELECTRICITY:		
	Purchased		
	Unit '000 KWH	33749.38	31686.97
	Total Amount (₹ in Lacs)	1749.50	1673.64
	Rate per unit	5.18	5.28
2.	COAL-GRADES B TO E:		
	Quantity (M.T.)	24546.6	9862.20
	Total Cost (₹ in Lacs)	962.54	402.46
	Average Rate (₹ per M.T.)	3921.28	4080.87
3.	FURNACE OIL:		
	Quantity (K.L.)	100.00	99.58
	Total Amount (₹ in Lacs)	36.26	28.98
	Average Rate (₹ per K.L.)	36260.72	29107.37
4.	LIGNITE & OTHERS:		
	Quantity (M.T.)	29365.53	48104.79
	Total Cost (₹ in Lacs)	795.79	1200.00
	Average Rate (₹ per M.T.)	2709.95	2494.57

II. CONSUMPTION PER M.T. OF PRODUCTION

Particulars	ELECTRICITY		STEAM	
	Current Year		Current Year	
	STD	KWH	STD	M.T.
Biological Agents	-	1.67	-	2.000
	-	(1.86)	-	(2.020)
Food, Pharma & Animal Healthcare Ingredients	-	43.97	-	1.323
	-	(45.47)	-	(1.517)
Industrial & Allied Products	-	243.23	-	0.977
	-	(319.98)	-	(1.249)

NOTE: Figures in brackets relates to previous year.

B. TECHNOLOGY ABSORPTION

FORM B

RESEARCH AND DEVELOPMENT:

(a) Specific Areas in which Research & Development carried out by the Company:

The Company's Research & Development Center has been approved by the Department of Science & Technology since 1974 and it has been actively engaged in carrying out Research & Development in several areas including process and product improvement. During the year under review the center has focused on new products for Food, Textile, Pharma, Dies and Terry towel industries. The Research & Development efforts of the Company are directed towards quality control and improvement of in-house expertise.

(b) Benefits derived as a result of R&D

The Company has developed various new products during the year which includes:

- Novel product that offered many advantages to the terry towel industry such as high weaving efficiency, low consumption and removal without enzymes.
- Ultraflo 2.5T10 that offers many features such as stable at acidic pH, stable against harsh food processing conditions such as temperature and shear, offers freeze thaw stability during the storage of food.
- pregelatinized modified starch for sack sealing

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Particulars	Year Ended	
	March 31, 2011	
	March 31, 2011	March 31, 2010
Foreign Exchange Earnings:		
FOB Value of Exports	4360.62	2526.88
Foreign Exchange Outgo:		
CIF Value of Imports	607.42	102.94
Traveling Expenses	37.45	46.14
Commission on Export Sales	36.95	22.02

(iv) Ready to use size mix for sizing on medium counts of cotton textile

(v) Ready to use size mix for sizing on fine counts of cotton textile

(vi) A grade of white dextrin to suit the stringent requirement of dyes industry,

(c) Future plan of action

The Company will continue to lay emphasis on the main areas of Research & Development set out under para (a) above.

(d) Expenditure on R&D

(₹ in Lakhs)

Particulars	2010-2011	2009-2010
Capital	146.19	750.72
Recurring	91.52	36.98
Total	237.71	787.70
Total R&D Expenditure as percentage of total turnover	0.47%	2.11%

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

Through continuous interaction with Research & Development Center, efforts are made towards technology absorption, adoption and innovation. The thrust areas have been the increase in productivity through cost effective programs, improvement of quality of all the products and development of related products for various end uses.

REPORT ON CORPORATE GOVERNANCE

In accordance with Clause 49 of the Listing Agreement with the Bombay Stock Exchange Ltd. and the Ahmedabad Stock Exchange Ltd. on Corporate Governance, the Report containing the details of Corporate Governance systems and processes at Anil Ltd. is as under. This report sets out the compliance status of the Company with the requirements of Corporate Governance, as set out in clause 49, for the financial year 2010-11.

Company's philosophy on Corporate Governance

The Anil Limited is committed to good Corporate Governance. The Company's pursuit towards achieving good governance is an ongoing process. The Company's philosophy on Corporate Governance encompasses the goal of achieving transparency, accountability, responsibility and compliance in all spheres of its operations and in dealing with the employees,

stakeholders, customers, government and the community at large. The Company believes in establishing a framework which would enable in strengthening the decision making processes and enhance the overall effectiveness of the organization.

1. BOARD OF DIRECTORS

The Board comprises of 4 directors of which 3 are independent & non-executive directors. The composition of the Board complies with the requirements of the Code.

The Board of Directors of the Company met six times during the year on April 27, 2010, May 14, 2010, August 12, 2010, November 2, 2010, January 18, 2011 and February 10, 2011.

The composition of the Board of Directors, attendance of directors at the Board meetings and at the Annual General Meeting held during the year under review along with the number of outside directorships and committee positions are given in the table below:

Name of the Director	Category of Directorship	No. of other Directorships Held ⁽¹⁾	No. of other Board Committees of which Member / Chairman ⁽²⁾	Board meetings attended	Attendance at the last AGM
Shri Shripal C. Sheth* (*Passed away on 26.12.2010)	Chairman & Managing Director	2	2 (as Chairman)	4	No
Shri Amol S. Sheth	Chairman & Managing Director	7	3 (as Member)	6	Yes
Shri Kamal R. Sheth	Non-Executive (Independent)	1	2 (as Chairman)	6	Yes
Shri Anish K. Shah	Non-Executive (Independent)	-	2 (as Member)	6	Yes
Smt. Indira J. Parikh	Non-Executive (Independent)	4	2 (as Member)	Nil	Yes

⁽¹⁾ The number of other directorships excludes directorships held in Private Limited Companies, Foreign Companies, Companies under Section 25 of the Companies Act, 1956 and that of the Company.

⁽²⁾ This includes the Chairmanship/Membership only in the Audit Committee and Shareholders' Grievance Committee of all listed and unlisted public limited companies.

None of the Non-executive Directors hold any shares / convertible instruments of the Company.

The details of the Director seeking re-appointment at the forthcoming Annual General Meeting as required under Clause 49(IV)(G) of the Listing Agreement are given in the Directors' Report.

Availability of information to the members of the Board

The Board has unfettered and complete access to any information within the Company and from any of our employees. At meetings of the Board, it welcomes the presence of concerned employees who can provide additional insights into the items being discussed.

The information regularly supplied to the Board includes:

- Annual operating plans and budgets, capital budgets and updates
- Periodic Financial Statements
- Minutes of meetings of audit, compensation and investor grievance committee of the Company along with board minutes of the subsidiary companies and General notices of interest
- Information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and Company Secretary
- Materially important litigations, show cause, demand, prosecution and penalty
- Fatal or serious accidents or dangerous occurrences, any material effluent or pollution problems, if any
- Any materially relevant default in financial obligations to and by us

- Details of any joint venture, acquisitions of companies or collaboration agreement
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property
- Significant development on the human resources front
- Sale of material, nature of investments in subsidiaries and assets, which are not in the normal course of business
- Details of foreign exchange exposure and the steps taken by the management to limit risks of adverse exchange rate movement
- Non-compliance of any regulatory, statutory or listing requirements as well as shareholder services such as non-payment of dividend and delays in share transfer

The Board also periodically reviews compliance reports of all laws applicable to the Company, prepared by the designated employees as well as steps taken to rectify instances of non-compliance.

2. AUDIT COMMITTEE

During the year under review, five meetings of the Committee were held on April 27, 2010, May 14, 2010, August 12, 2010, November 2, 2010 and January 18, 2011.

The composition of the Committee as on March 31, 2011 and the particulars of attendance at the committee meetings during the year under review are given below:

Name of Director / Member	Chairman / Member	Category of Directorship	No. of Meetings Attended
Shri Kamal R. Sheth	Chairman	Non-Executive (Independent)	5
Shri Anish K. Shah	Member	Non-Executive (Independent)	5
Smt. Indira J. Parikh	Member	Non-Executive (Independent)	Nil

The composition of the Committee complied with the requirements of clause 49 of listing agreement and section 292A of the Companies Act, 1956.

The Chairman of the Committee attended the previous Annual General Meeting of the Company held on August 26, 2010.

The Secretary of the Company acts as a Secretary to the Committee. The statutory auditors, internal auditors, CEO, General Manager – Company Affairs & Accounts are invited to attend and participate at the meetings from time to time.

The broad terms of reference of the committee are to review and recommend the financial statements and to review the adequacy of internal control systems and internal audit function. The detailed terms of reference of the Committee as approved by the Board are given below:

- (a) Supervision of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

- (b) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory auditor, the fixation of audit fee and fees for other services.
- (c) Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
 - Changes, if any, in accounting policies and practices.
 - Major accounting entries based on exercise of judgment by management.
 - Qualifications in draft audit report.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
- (d) Reviewing, with the management, the quarterly financial statement before submission to the Board for approval.
- (e) Reviewing with the management, performance of statutory and internal auditors and adequacy of internal control system.
- (f) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- (g) Reviewing with management, Management Discussion and Analysis of financial condition and results of operation.
- (h) Discussions with internal auditors any significant findings and follow up thereon.
- (i) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- (j) Discussions with external auditors before the audit commence, about the nature and scope of the audit as well as have post-audit discussions to ascertain any area of concern.
- (k) Reviewing the Company's financial and risk management policies.
- (l) To look into the reasons for substantial defaults in the payment to the depositors, debentures holders, shareholders (in case of nonpayment of declared dividends) and creditors.

3. SHARE TRANSFER-CUM-INVESTORS GRIEVANCES COMMITTEE

- (i) Terms of Reference:
 - A. To look into the redressal of investor grievances relating to
 - a) Transfer and Dematerialization / Rematerialization of shares
 - b) Issue of Duplicate share certificates
 - c) Non receipt of shares, dividends etc.
 - B. To look into other related issues towards strengthening investors relations.

(ii) Composition:

Name of Director	Chairman / Member	Category
Shri Kamal R. Sheth	Chairman	Non-Executive (Independent)
Shri Anish K. Shah	Member	Non-Executive (Independent)
Smt. Indira J. Parikh	Member	Non-Executive (Independent)

Shri Chandresh Pandya, Company Secretary, provided secretarial support to the Committee and has been designated as Compliance Officer for such matters.

The Committee meets on a need basis at least twice a month to ensure the regular process of transfers/

transmissions of shares and issuance of duplicate Share Certificates.

During the year the Company received 2 complaints and the same were attended within a reasonable period of time. No complaint was pending as on March 31, 2011.

4. REMUNERATION COMMITTEE

The Board of Directors of the Company constituted the Remuneration Committee to formulate Company's policy on specific remuneration packages for Directors including pension rights and compensation payment.

(i) Composition, Meeting and Attendance during the year

Name of Director	Chairman / Member	Category
Shri Anish K. Shah	Chairman	Non-Executive (Independent)
Smt. Indira J Parikh	Member	Non-Executive (Independent)
Shri Kamal R. Sheth	Member	Non-Executive (Independent)

During the year under review, one meeting of the Committee was held on February 10, 2011. Shri Anish K. Shah and Shri Kamal R. Sheth were present at the meeting.

- Compensation will be competitive.
- Compensation will be transparent, fair and simple to administer.
- Compensation will be fully legal and tax compliant

(ii) Remuneration Policy

Remuneration Committee determines and recommends to the Board, the compensation of the Directors. The key components of the Company's Remuneration policy are:

- Compensation will be a major driver of performance.

(iii) Managerial Remuneration

A. Remuneration of Chairman & Managing Director and Managing Director

The details of remuneration paid to Chairman & Managing Director of the Company for the financial year 2010-11 are as under:

(₹ In Lakhs)

Particulars	* Mr. Shripal C. Sheth, Chairman & Managing Director (*up to 25.12.2010)	Mr. Amol S. Sheth, Chairman & Managing Director
Salary	11.01	15.00
Contribution to PF & Other Funds	1.32	1.80
Perquisites	6.20	7.52
Commission	110.08	146.77
Total	128.61	171.09

B. Independent Non Executive Directors (INEDs)

During the year, the INEDs were neither paid any remuneration nor granted any loans or advances. The details of sitting fees paid to the Non-Executive Directors during the financial year 2010-11 are given below:

Sr. No.	Name of Non-Executive Director	Sitting Fees (₹)
1	Shri Kamal R. Sheth	18,000
2	Shri Anish K. Shah	18,000

5. CFO CERTIFICATION:

The CFO have certified to the Board that:

- a) We have reviewed financial statements and the cash flow statement for the year ended 31-03-2011 and that to the best of our knowledge and belief :
 - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or volatile of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee
 - i) Significant changes in internal control during the year.
 - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements.
 - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

6. GENERAL BODY MEETINGS

Details of last three Annual General Meetings are as under:

Day, Date and Time of AGM	Venue	No. of Special Resolutions passed
Monday, September 29, 2008 at 9.45 a.m.	Ahmedabad Textile Mills Association (ATMA) Hall, Ashram Road, Ahmedabad – 380 009	-
Friday, September 25, 2009 at 9.45 a.m.	Ahmedabad Textile Mills Association (ATMA) Hall, Ashram Road, Ahmedabad – 380 009	2
Thursday, August 26, 2010 at 9.45 a.m.	Ahmedabad Textile Mills Association (ATMA) Hall, Ashram Road, Ahmedabad – 380 009	2

All the special resolutions indicated above were passed by show of hands. The Company has not passed any shareholder resolution through postal ballot during the year under reference.

No Extra-Ordinary General Meeting was held during the financial year 2010-11.

Board of compliance status of laws applicable to the Company and steps taken to rectify non-compliances, if any.

There were no instances of material non-compliance and no strictures or penalties were imposed on the Company either by SEBI, Stock Exchanges or any other statutory authorities on any matter related to Capital Markets, during the last three years.

7. DISCLOSURES

a. Legal Compliances

The Company follows a formal management policy and system of legal compliance & reporting to facilitate periodical review by the

The CEO and CFO have certified to the Board with regards to the Financial Statements and other matters as required in the Listing Agreement.

b. Code of Conduct

The Code of Conduct adopted by the Company has been posted on the website of the Company. The members of the Board and senior management of the Company have submitted their affirmation on compliance with the Code of Conduct for the effective period. The declaration by the Managing Director to that effect forms part of this report as Annexure 1.

c. Related Party Transactions

Transactions with related parties as per Accounting Standard – 18 are disclosed in detail in Schedule 20 annexed to the financial statements for the year. Adequate care was taken to ensure that the potential conflict of interest did not harm the interests of the Company at large.

d. Disclosure of Accounting Treatment

There is no deviation in following the treatments prescribed in any Accounting Standard in preparation of financial statements for the year 2010-11.

e. Mandatory & Non-Mandatory Clauses

The Company has complied with all mandatory requirements laid down by the Clause 49. So far, the Company has not adopted the non-mandatory clauses of the clause 49 of the listing agreement.

8. MEANS OF COMMUNICATION

The Company regularly intimates unaudited as well as audited financial results to the stock exchanges immediately after being approved by the Board. The quarterly, half yearly and annual results of the Company are generally published in one English daily newspaper (National) and one Gujarati newspaper (Regional). The quarterly, half yearly and annual results are also posted on Company's website, www.anil.co.in. No presentations have been made to institutional investors or to the analysts during the year under review.

9. CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

The Certificate from Practicing Company Secretary regarding compliance of Corporate Governance for the year ended March 31, 2011 is annexed with the Directors' Report.

10. GENERAL SHAREHOLDER INFORMATION**(a) Annual General Meeting**

Date & Time	Friday, September 9, 2011 at 10.00 a.m.
Venue	Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015

(b) Tentative Financial Calendar for the year 2011-12

Financial year	April 1 to March 31
First Quarter results	By Second week of August 2011
Half Yearly results	By Second week of November 2011
Third Quarter results	By Second Week of February 2012
Fourth Quarter or Audited Results for year-end March 31, 2012	By End of May, 2012
Annual General Meeting for the year ending March 31, 2012	By End of September, 2012

(c) Date of Book Closure

September 6, 2011 to September 9, 2011 (both days inclusive)

(d) Dividend Payment Date

The proposed dividend, if approved at the ensuing AGM will be distributed on or after September 14, 2011.

(e) Listing on Stock Exchanges and Security Codes

Name of Stock Exchange	Scip Code
Bombay Stock Exchange Limited, Mumbai (BSE)	532910
Ahmedabad Stock Exchange Limited, Ahmedabad (ASE)	04292

The Company has paid the annual listing fees for the year 2010-11 to both of the above stock exchanges.

(f) Corporate Identity Number (CIN)

L15490GJ1993PLC019895

(g) Market Price Data

The closing market price of equity shares on March 31, 2011 (last trading day of the year) was ₹ 213.75 on BSE.

The monthly movement of equity share prices during the financial year 2010-11 at BSE is summarized as herein below:

Month	High Price	Low Price
April 2010	131.75	103.00
May 2010	130.50	101.05
June 2010	156.70	111.20
July 2010	207.85	138.10
August 2010	225.50	180.25
September 2010	282.50	185.00
October 2010	305.00	232.30
November 2010	318.00	225.00
December 2010	274.65	206.00
January 2011	269.95	190.00
February 2011	246.00	175.50
March 2011	218.00	190.00

No trading recorded on Ahmedabad Stock Exchange Limited.

(h) Stock Performance Index (2010-11)


(i) Share Transfer system

Shares sent for transfer in physical form are registered and returned by Registrar and Share Transfer Agent within 30 days from the date of receipt of documents, provided the documents are found in order. Shares under objection are returned within 21 days to the concerned shareholders. The Share Transfer-cum-Investor Grievances Committee meets generally twice in a month to approve share transfers/transmissions.

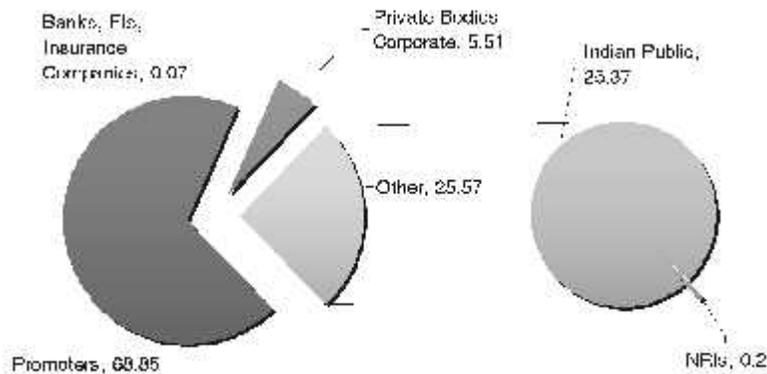
As per the requirements of clause 47 (c) of the Listing Agreement with the Stock Exchanges, the Company has obtained the half yearly certificates from a Company Secretary in Practice for due compliance of share transfer formalities.

The Company has signed necessary agreements with two depositories currently functional in India viz. National Securities Depository Ltd. & Central Depository Services (India) Ltd. The transfer of shares in depository mode need not be approved by the Company.

(j) Distribution of Shareholdings as at March 31, 2011

By category of shareholders:

Category	No. of Shares held	% of Shareholding
Promoters	6,724,076	68.85
Banks, FIs, Insurance companies	6,720	0.07
Private Bodies Corporate	538,324	5.51
Non-Resident Indians	19,560	0.20
Indian Public	2,469,522	25.29
Other (Clearing Member)	7,964	0.08
Total	9,766,166	100.00



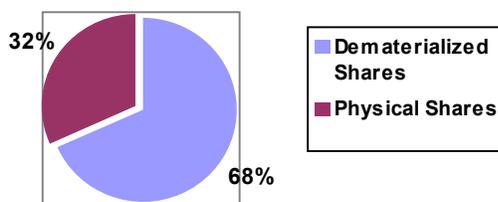
By category of shareholders:

No. of equity shares held	No. of shareholders	% of shareholders	No. of shares	% of shareholding
1-500	13,249	94.61	932,030	9.54
501-1000	418	2.99	299,354	3.06
1001-2000	181	1.29	263,093	2.69
2001-3000	48	0.34	120,705	1.24
3001-4000	17	0.12	62,289	0.64
4001-5000	19	0.14	85,827	0.88
5001-10000	25	0.18	176,293	1.81
10001 and Above	46	0.33	7,826,575	80.14
TOTAL	14,003	100.00	9,766,166	100.00

(k) Dematerialization of equity shares

The Equity shares of the Company are traded compulsorily in the dematerialized segment and are under rolling settlement. The demat security (ISIN) code for the equity share is INE125E01019.

As on 31 March 2011, 6660677 equity shares being 68.20 % of the total equity paid-up share capital of the Company was held in dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).



(l) Outstanding GDRs / ADRs / Warrants / any other convertible instruments

As on date, the Company does not have any outstanding instruments of the captioned type.

(m) Registered Office

P. O. Box – 10009,
Anil Road,
Ahmedabad – 380 025
Phone: +91 (79) 40282000
Fax: +91 (79) 40282001

(n) Plant Location :

Anil Road, Ahmedabad-380 025

(o) Compliance Officer

Chandresh Pandya,
Company Secretary
Anil Limited
P. O. Box – 10009,
Anil Road,
Ahmedabad – 380 025
Phone: +91 (79) 40282000
Fax: +91 (79) 40282001

(p) Investor Relations :

investor-relations@anil.co.in

(q) Registrar and Share Transfer Agent

Link Intime India Pvt. Ltd.
Unit: Anil Limited
211, Sudarshan Complex,
Near Mithakhali Under Bridge,
Navrangpura,
Ahmedabad – 380 009
Phone: 079-2646 5179
Fax No. 079-2646 5179
Email: ahmedabad@linkintime.co.in

For & On behalf of the Board of Directors

Place : Ahmedabad

Date : May 12, 2011 **Chairman & Managing Director**

Amol S. Sheth

ANNEXURE TO CORPORATE GOVERNANCE REPORT

AFFIRMATION OF COMPLIANCE WITH CODE OF BUSINESS CONDUCT & ETHICS

The Board of Directors of the Company has adopted the Code of Conduct for Directors and Senior Management of the Company.

All the Board Members and the Senior Management Personnel have affirmed their Compliance with the respective Code for the year ended on March 31, 2011.

Place : Ahmedabad
Date : May 12, 2011

Amol S. Sheth
Chairman & Managing Director

CERTIFICATE ON CORPORATE GOVERNANCE

To the members of Anil Limited

We have examined the compliance of the conditions of Corporate Governance by Anil Limited for the year ended on 31st March 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of the opinion of the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Ahmedabad
Date : May 12, 2011

Kumud M. Shah
Company Secretary
C. P. No. 2706
Membership No. FCS 410

CSR AT ANIL

We at ANIL, have also initiated CSR activities. We have formed a trust under the name of “SPARSH”, which engages into CSR activities. Our basic CSR philosophy is to create set ups to facilitate activities which will enable or empower the underprivileged class of the society to lead a better quality of life through opportunities of earning a livelihood. Thus, instead of being a one time financial support, what we intend to do is to create a sustainable model of livelihood creation for the under privileged class of the society.

To start with, we had volunteers from ANIL visit various NGOs .They engaged into different types of activities with the under privileged community residing at these NGOs like old age homes, children homes for the underprivileged class etc. We also conducted a medical camp at the factory for the workers and a blood donation camp as a part of these activities.

Subsequently, we have now initiated an activity with a specific objective :

- **Girl Child education.**
- We have already made a beginning in this area and have started an education centre which provides life skill enhancement education to girls from the under privileged class of the society.
- The broad objective of this initiative is
- To enhance the development of life skills among our students.
- To provide excellent quality english language education to enable them to avail of the employment opportunities.
- To develop amongst the students those abilities that help to promote mental well being and competency in young people as they face the realities of life.
- Our center is located in Ashok Mill ni Juni Chali, near our starch plant in Ahmedabad.
- We have already enrolled 37 girls from the surrounding communities and would be shortly adding to this number.
- The average age group is 15-16 years.
- We run an after school program for five days in a week.
- We focus on teaching english and life skills so as to prepare them for employment in a city environment.
- We intend to involve more volunteers to help with activities on weekends and for mentoring these children.

AUDITORS' REPORT

To
The members of
ANIL LIMITED (Formerly Known as ANIL PRODUCTS LIMITED)
Ahmedabad

- 1) We have audited the attached Balance Sheet of **M/s ANIL LIMITED (Formerly Known as ANIL PRODUCTS LIMITED)** as at 31st March 2011, the Profit and Loss A/c and also the Cash-flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan & perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts & disclosures in the financial statements. An audit also includes assessing the accounting principles used & significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the companies (Auditor's Report) order 2003 and the Companies (Auditors Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section(4A) of Section 227 of the companies Act 1956, we annex here to a statement on the matters specified in paragraphs 4 &5 of the said order to the extent applicable.
- 4) Further to our comments in the Annexure referred to in paragraph-3 above, we report as under: -
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by Law have been kept by the Company so far as appears from our examination of those books.
 - (c) The Balance Sheet and the Profit and Loss Account & Cash flow statement dealt with by this report are in agreement with the books of account.
 - (d) In our opinion the Balance Sheet, Profit & Loss Account & Cash Flow Statement comply with Accounting Standards referred to in section 211(3C) of the Companies Act, 1956.
 - (e) On the basis of the written representations received from the directors, as on March 31, 2011 and taken on record by the Board of Directors, we report that none of the directors of the company are disqualified as on March, 31 2011 from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - (f) Attention is invited to the following notes in Schedule 20 to the Financial Statements.
 - i) *Note no. 4 regarding non provision of doubtful debts and loans and advances of ₹ 291.10 Lacs and ₹ 80.50 Lacs respectively.*
 - (g) Subject to above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India. :-
 - i) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2011
 - ii) In the case of the profit and loss account, of the Profit of the company for the year ended on that date and
 - iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For PARIKH & MAJMUDAR
Chartered Accountants
[HITEN PARIKH]
Partner
Membership No. 40230
FRN No. 107525W

Place : Ahmedabad
Date : 12.05.2011

ANNEXURE TO THE AUDITORS' REPORT
(Referred to in paragraph 3 of our report of even date)

- i) (a) The company has maintained proper records showing full particulars, including situation of its fixed assets. The quantity details are being updated.
- (b) As explained to us, the Company has designed a phased program of verification of fixed assets to cover all the items over a period of two years which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the program, some part of fixed assets was physically verified by the management during the year. According to information, and explanations given to us, no material discrepancies were noticed by the management on such verification.
- (c) According to the information and explanation given to us, the company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the company is not affected
- ii) (a) Physical verification of inventory has been conducted during the year by the management at reasonable intervals, In our opinion, the frequency of verification is reasonable.
- (b) In our opinion & according to the information & explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable & adequate in relation to the size of the company & nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the company is maintaining proper records of inventory. As explained to us, the discrepancies noticed on physical verification of inventory were properly dealt with in the books of accounts.
- iii) In respect of loans secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - (a) During the year, the company has not granted any inter corporate loan/deposit to any party covered in the register maintained u/s 301 of the Companies Act, 1956. However, the company had granted loans to three parties earlier covered under the register maintained u/s 301 of the Act out of which ₹ 1906.17 lacs have been repaid by the said parties during the year (maximum amount involved during the year was ₹ 1906.25 Lacs and the year end balance from the said party was ₹ 0.08 Lacs).
 - (b) In our opinion and according to the information and explanation given to us, the rate of interest & other terms and conditions of the unsecured loans taken by the company from the parties covered in the register maintained under section 301 of the Companies Act, 1956 are prima facie not prejudicial to the interest of the company.
 - (c) As regards loans taken by the company terms of repayment have not been stipulated and hence the question of any overdue amount does not arise
 - (d) The company has not taken Unsecured Loan from any party covered under register maintained u/s 301 of the Companies Act, 1956.
- iv) In our opinion & according to the information & explanations given to us, there are adequate internal control systems commensurate with the size of the company & nature of its business for the purchase of inventory, fixed assets & also for the sales of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls systems.
- v) (a) In our opinion and according to the information & explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under section 301 of the Companies Act, 1956
- (b) In our opinion, and according to information and explanation given to us, the transactions of purchase of goods & materials, sales of goods, materials, fixed assets & services made in pursuance of contract or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 aggregating during the year ₹ 5.00 Lacs or more in respect of such parties have been made at prices which are reasonable

having regard to the prevailing market prices for such goods, materials, fixed assets & services or the prices at which the transactions for similar goods, materials, fixed assets & services have been made with other parties.

- vi) In our opinion and according to information & explanation given to us, company has complied with the directives issued by the Reserve Bank of India and provisions of Section 58A and 58AA of the Companies Act, 1956 and the rules framed there under with regard to the deposits accepted from the public.
- vii) The Company has appointed a firm of Chartered Accountants for Internal Audit. In our opinion, the internal audit is commensurate with its size & nature of its business.
- viii) We have broadly reviewed the books of accounts maintained by the company in respect of products where pursuance to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under section 209(1) clause (d) of the Companies Act, 1956 and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have however not made a detail examination of the records with a view to determine whether they are accurate or complete.
- ix) (a) According to the records maintained by the company, the undisputed Statutory dues including provident fund, employees State Insurance, Income-tax, Wealth-tax, Service Tax, Sales-tax Customs duties, excise duty, cess and other statutory dues have been regularly deposited during the year with the appropriate authorities. On the basis of records produced before us for our verification and according to the information & explanation given to us, no undisputed amount payable in respect of afore said dues were in arrears as at 31st March, 2011 for a period of more than six months from the date they became payable.
- (b) On the basis of records produced before us for our verification and according to the information and explanations given to us, the details of disputed, Sales Tax, Central Excise duty & Income Tax dues aggregating to ₹ 378.33 lacs that have not been deposited as on 31st March, 2011 on account of matters pending before appropriate authorities, the details of which are as under.

Sr.	Nature of the dues	Financial Year to which the matter relates	Forum where the matter is pending	Amount (₹ in Lacs)
1	SALES TAX			
a)	Sales Tax Demand	1994-1997	Gujarat High Court	47.23
2	CENTRAL EXCISE DUTY			
a)	Excise demand for product classifications	01.04.1998 to 29.02.2000	Gujarat High Court	147.91
b)	Excise demand for product classifications	01.09.1996 to 31.05.1997	Customs, Excise and Service Tax Appellate Tribunal - Ahmedabad	9.61
c)	Excise demand on CENVAT Reversal on Exempted Goods	01.01.2006 to 31.03.2006	Customs, Excise and Service Tax Appellate Tribunal - Ahmedabad	101.96
3	INCOME TAX			
a)	Income Tax Demand	2002-03	Dy. Commissioner of Income Tax (OSD) – Range 1	0.24
b)	Income Tax Demand	2003-04	Dy. Commissioner of Income Tax (OSD) – Range 1	3.37
c)	Income Tax Demand	2004-05	Dy. Commissioner of Income Tax (OSD) – Range 1	0.19
d)	Income Tax Demand	2005-06	CIT (Appeal) –VI, Ahmedabad	6.58
e)	Income Tax Demand	2007-08	CIT (Appeal) –VI, Ahmedabad	15.31
f)	Income Tax Demand	2008-09	Dy. Commissioner of Income Tax (OSD) – Range 1	45.93

- x) The Company does not have accumulated losses at the end of the financial year and has not incurred cash losses in the financial year under question and in the immediately preceding financial year.
- xi) According to information & explanations given to us, the company has not defaulted in repayment of dues to Financial Institutions or Banks.
- xii) In our opinion & according to the information & explanation given to us, no loans & advances have been granted by the company on the basis of security by way of pledge of shares, debentures & other securities.
- xiii) In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund/ society.
- xiv) According to the information & explanations given to us, the company is not dealing or trading in shares, securities debentures & other investments.
- xv) In our opinion, the terms & conditions on which the company has given guarantee for loans taken by others from Banks or financial institutions are prima facie, not prejudicial to the interest of the company.
- xvi) In our opinion and according to the Information & explanations given to us the term loans have been broadly applied for the purpose for which they were raised.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance sheet of the Company and after placing reliance on the reasonable assumptions made by the company, there are no funds raised on short term basis, which have been used for long term purpose.
- xviii) The Company has not made any Preferential allotment of shares during the year under review.
- xix) The company has raised Unsecured Zero Coupon Convertible Debentures during the year.
- xx) The company has not raised any money by way of public issue during the year.
- xxi) According to the information & explanations given to us, no fraud on or by the company has been noticed or reported during the course of our Audit.

For PARIKH & MAJMUDAR
Chartered Accountants

[HITEN PARIKH]
Partner

Membership No. 40230
FRN No. 107525W

Place : Ahmedabad
Date : 12/05/2011

BALANCE SHEET AS AT 31ST MARCH, 2011

Particulars	Schedule	31st Mar 11	(₹ in Lacs) 31st Mar 10
SOURCES OF FUNDS:			
1. Shareholders' Funds			
(a) Share Capital	1	976.62	976.62
(b) Reserves and Surplus	2	12,115.27	8317.28
		13,091.89	9,293.90
2. Loan Funds			
(a) Secured Loans	3	19,292.16	15,589.66
(b) Unsecured Loans	4	7,138.73	4,816.02
		26,430.89	20,405.68
3. Deferred tax liability (Refer Note No. 18 of Schedule 20)		1,944.58	1,627.38
Total		41,467.36	31,326.96
APPLICATION OF FUNDS:			
1. Fixed Assets	5		
(a) Gross Block		20,775.73	14,688.75
(b) Less: Depreciation		3,054.10	2,520.46
(c) Net Block		17,721.62	12,168.28
(d) Capital Work-in- Progress		2,326.37	1,728.98
		20,047.99	13,897.26
2. Investments	6	72.17	36.69
3. Current Assets, Loans and Advances			
(a) Inventories	7	10,513.94	7,159.88
(b) Sundry Debtors	8	14,564.71	12,666.59
(c) Cash & Bank Balances	9	1,195.40	1,363.81
(d) Loans & Advances	10	3,113.94	2,258.26
		29,387.99	23,448.54
Less: Current Liabilities and Provisions			
(a) Current Liabilities	11	7,289.40	5,340.73
(b) Provisions	12	751.39	714.80
		8,040.79	6,055.53
Net Current Assets		21,347.20	17,393.01
Total		41,467.36	31,326.96
Notes forming part of Accounts	20		

As per our report of even date attached

For Parikh & Majmudar

Chartered Accountants

Hiten Parikh

Partner

M. No. 40230

FRN No. 107525W

Place : Ahmedabad

Date : 12/05/2011

Chandresh Pandya

Company Secretary

For and on behalf of the Board of Directors

Amol Sheth

Chairman & Managing Director

Kamal Sheth

Director

Dipal Palkhiwala

Chief Financial Officer

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

	Schedule	2010-11	(₹ in Lacs) 2009-10
INCOME:			
1. Gross Income from operations	13	52,111.45	38,376.52
Less : Excise Duty		1,703.10	966.62
Net Sales		50,408.35	37,409.90
2. Increase/(Decrease) in Stocks	14	1,150.57	1,593.18
3. Other Income	15	143.57	49.41
		51,702.49	39,052.49
EXPENDITURE:			
1. Materials Consumed / Trading Goods	16	32,498.30	25,576.75
2. Manufacturing & Other Expenses	17	10,285.41	8,182.55
3. Interest and Finance Charges	18	2,795.61	1,594.57
4. Research and Development Expenses	19	91.52	36.98
		45,670.84	35,390.85
Profit before Dep. and Taxation		6,031.65	3,661.64
Depreciation		643.61	518.88
Profit before Taxation		5,388.04	3,142.76
Provision for Taxation:			
a) Current Tax		1,055.00	600.00
b) Wealth Tax		0.60	0.35
c) Deferred Tax		317.20	130.88
d) Short/excess prov of earlier years w/o		21.76	-
		1,394.56	731.23
Profit after tax		3,993.48	2,411.53
Add : Prior period adjustments		31.92	(12.31)
Profit for the year		4,025.40	2,399.22
Balance brought forward from previous year		4,343.42	2,308.11
Total		8,368.82	4,707.33
Appropriations			
Proposed Dividend		195.32	97.66
Corporate Dividend Tax		32.44	16.60
Transfer to General Reserve		400.00	250.00
Balance carried to Balance Sheet		7,741.06	4,343.42
		8,368.82	4,707.68
Earning per share Basic		41.22	24.57
Earning per share Diluted		41.22	24.57
(Equity share of ₹ 10 each)			
(Refer Note no. 17 of Schedule 20)			
Notes forming part of Accounts			

As per our report of even date attached

For Parikh & Majmudar
Chartered Accountants**Hiten Parikh**
Partner
M. No. 40230
FRN No. 107525W
Place : Ahmedabad
Date : 12/05/2011**Chandresh Pandya**
Company Secretary

For and on behalf of the Board of Directors

Amol Sheth Chairman & Managing Director
Kamal Sheth Director
Dipal Palkhiwala Chief Financial Officer

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2011

	Year ended 31st March,2011	Year ended 31st March,2010
		(₹ in Lacs)
A CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit (Loss) Before Tax and Extra Ordinary Items	5,388.04	3,142.76
Adjustments for :		
Depreciation	643.61	518.88
Interest Expenses (Net)	2,795.61	1,594.57
(Profit)/Loss on sale of Fixed Assets	36.05	-
(Profit)/Loss on sale of shares	-	-
Dividend Income	(1.24)	(0.88)
Interest Income	(19.35)	(9.41)
Rent Income	-	-
	<u>3,454.68</u>	<u>2,103.16</u>
Operating Profit Before Working Capital Changes	<u>8,842.72</u>	<u>5,245.92</u>
Adjustments for:		
Trade and other Receivables	(1,898.12)	(2,551.98)
Inventories	(3,354.06)	(4,622.19)
Loans & Advances	(856.22)	(1,736.48)
Other Current Assets	-	2.75
Trade Payables	1,871.76	810.91
	<u>(4,236.64)</u>	<u>(8,096.99)</u>
Cash Generated from Operations	<u>4,606.08</u>	<u>(2,851.07)</u>
Direct Taxes Payable	(1,077.36)	(600.35)
Cash Flow Before Extraordinary Items	<u>3,528.72</u>	<u>(3,451.42)</u>
Prior period adjustments	31.92	(12.31)
	<u>31.92</u>	<u>(12.31)</u>
NET CASH FROM OPERATING ACTIVITIES (A)	<u><u>3,560.64</u></u>	<u><u>(3,463.73)</u></u>
B CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets (Net of Modvat benefit & including Pre-operative Exps. WIP Cap. Advance)	(6,940.39)	(4,301.15)
Sale of shares	110.00	12.00
Sale of Fixed Assets	4.00	-
Dividend Income	1.24	0.88
Purchase of Investments	(38.59)	-
NET CASH USED IN INVESTING ACTIVITIES (B)	<u><u>(6,863.74)</u></u>	<u><u>(4,288.27)</u></u>



	Year ended 31st March,2011	(₹ in Lacs) Year ended 31st March,2010
C CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from Zero Coupon Convertible Debenture	3,380.00	-
Proceeds from Long term Borrowings (Net of repayments)	2,960.17	6,311.42
Proceeds from Bank/FIS borrowings for Working Capital	745.53	2,711.56
Proceeds from Unsecured Borrowings (Net of repayments)	(1,057.29)	1,163.57
Deferred payment credit against vehicles (Net of repayments)	(3.20)	19.17
Dividend Paid	(97.66)	(74.00)
Dividend Tax	(16.60)	(12.58)
Interest Paid	(2,795.61)	(1,594.57)
Interest Received	19.35	9.41
NET CASH GENERATED IN FINANCING ACTIVITIES (C)	3,134.69	8,533.98
NET INCREASE IN CASH AND EQUIVALENTS (A+B+C)	(168.41)	781.98
Cash and Cash Equivalents as at the Beginning of the year	1,363.81	581.83
Cash and Cash Equivalents as at Closing of the year	1,195.40	1,363.81

As per our report of even date attached

For Parikh & Majmudar

Chartered Accountants

Hiten Parikh

Partner

M. No. 40230

FRN No. 107525W

Place : Ahmedabad

Date : 12/05/2011

Chandresh Pandya
Company Secretary

For and on behalf of the Board of Directors

Amol Sheth

Chairman & Managing Director

Kamal Sheth

Director

Dipal Palkhiwala

Chief Financial Officer

SCHEDULE FORMING PART OF THE BALANCE SHEET

Particulars	31st Mar 11	(₹ in Lacs) 31st Mar 10
SCHEDULE '1': SHARE CAPITAL:		
Authorised Capital: 20000000 (P.Y. 20000000) Equity Shares of ₹ 10/- each	2,000.00	2,000.00
Issued, Subscribed & Paid-up : 9766166 (P.Y. 9766166) Equity Shares of ₹ 10/- each fully paid up	976.62	976.62
Total	976.62	976.62
SCHEDULE '2': RESERVES AND SURPLUS:		
i) Capital Reserve	11.09	11.09
ii) General Reserve		
Op. Balance	270.00	20.00
Add : Addition during the year	400.00	250.00
Closing Balance	670.00	270.00
iii) Amalgamation Reserve (On Amalgamation of The Anil Starch Products Ltd and Anil Consumer Products Ltd. with the Company with effect from 1st April, 2001)	2,510.04	2,510.04
iv) Surplus in Profit and Loss Account	7,741.06	4,343.07
v) Security Premium Account	1,183.08	1,183.08
Total	12,115.27	8,317.28
SCHEDULE '3': SECURED LOANS:		
A) From Banks		
i) Term Loans	11,229.65	8,269.48
ii) Working Capital Facilities Cash Credit Facilities	8,000.24	7,254.71
B) Others		
iii) Vehicle Loans (Secured by Vehicles Purchased there from)	61.65	64.25
S.I.D.B.I. (Secured by Guarantee given by companies bankers against hypothecation of machinery purchased therefrom) (Refer Note No. 7 of Sch 20)	0.62	1.22
Total	19,292.16	15,589.66

Particulars	(₹ in Lacs)	
	31st Mar 11	31st Mar 10
SCHEDULE '4': UNSECURED LOANS :		
Fixed Deposits		
Members	1.27	1.53
Public	264.15	184.05
From Companies (*)	3,390.72	4,563.25
From Others	102.59	67.19
Zero Coupon Convertible Debentures (convertible into Redeemable Preference Share)	3,380.00	-
Includes ₹ 0.08 lacs (P.Y ₹ 1906.25 lacs) dues to companies in which directors of the company are interested)		
Total	7,138.73	4,816.02

SCHEDULE '5': FIXED ASSETS:

Description	Gross Block (at cost)				Depreciation			Net Block		
	Op. Bal. As on 1/4/10	Addi- tions	Sale/Adjus- tment du- ring the yr.	Cl. Bal. As on 31/3/11	Op. Bal. Upto 1/4/10	Additions For the year	Sale/ Adjustment for the year	Cl. Bal. Upto 31/3/11	As on 31/3/11	As on 31/3/10
1. Freehold Land	2939.13	0.00	4.38	2934.75	0.00	-	-	0.00	2,934.75	2,939.13
2 Building	936.85	817.16	117.97	1636.04	218.34	30.32	45.53	203.13	1,432.91	718.51
3 Plant and Machinery	10328.31	5152.50	106.40	15374.41	2063.98	581.74	46.75	2598.97	12,775.44	8,264.33
4 Electric Installation	13.19	0.00	13.19	0.00	8.21	0.57	8.78	0.00	-	4.98
5 Dead Stock & Furniture	230.53	34.21	0.41	264.33	107.43	11.09	0.37	118.15	146.18	123.10
6 Vehicles	162.12	60.21	13.67	208.66	61.00	15.85	8.53	68.32	140.35	101.13
7 Business Solution software	78.61	278.92	0.00	357.53	61.49	4.04	-	65.53	292.00	17.12
SUB-TOTAL :-	14,688.75	6,343.00	256.02	20,775.73	2,520.45	643.61	109.96	3,054.10	17,721.62	12,168.29
Previous Year :-	11,837.29	2,851.46	-	14,688.75	2,001.58	518.88	-	2,520.46	12,168.28	9,835.70
Capital Work-in-progress									2,326.37	1,728.98
TOTAL									20,047.99	13,897.27

Notes

- (a) Include premises on ownership basis ₹ 5.74 lacs (Previous Year ₹ 5.74 Lacs) and cost of shares in Owners Association ₹ 0.01 Lac (Previous year ₹ 0.01 Lac).
- (b) Vehicles includes ₹ 123.34 Lacs (Previous Year ₹ 61.53 Lacs) being cost of assets purchased under hire purchase basis on which the vendors have a lien.
- (c) Additions during the year include Research and Development assets is under :

Particulars	2010-11	2009-10
Plant and Machineries	146.19	750.72
Total	146.19	750.72

Particulars	(₹ in Lacs)	
	31st Mar 11	31st Mar 10
SCHEDULE '6': INVESTMENTS:		
In Government and Trust Securities		
Quoted:		
7,924 US 64 Bonds of Rs.100 each (7924 Units of ₹ 10/- each in Unit Trust of India converted into 7924 US 64 Bonds w.e.f.01/06/2003)	9.17	8.68
Unquoted:		
7 Years National Savings Certificates of the face value of ₹ 51,000/- *	0.51	0.11
6 years National Savings Certificates of the face value of ₹ 30,500/- *	0.31	0.31
* (Deposited with Government department as security Deposit)		
In Shares, and Debentures, other than trade		
Quoted:		
2,567 (P.Y. 2567) fully paid Equity Shares of ₹ 10/- each in Gujarat State Fertilizer's Co. Ltd.	5.24	5.24
5425 fully (P.Y. 5425) paid Equity Shares of ₹ 10/- each of The Arvind Mills Ltd.	12.63	12.63
200 (P.Y. 200) fully paid Equity Shares of ₹ 10/- each in Corporation Bank.	0.16	0.16
28,700 (P.Y. 28700) fully paid Equity Shares of ₹ 10/- each in Bank of India.	12.92	12.92
Unquoted :		
2000 fully paid shares of ₹ 10/- each in The Kapole Co-operative Bank Ltd.	0.20	0.20
NIL (P.Y. 20000) fully paid Equity Shares of ₹ 10/- each in Anil Commodities Ltd.	-	2.00
NIL (P.Y. 20000) fully paid Equity Shares of ₹ 10/- each in Anil Tradecom Ltd.	-	2.00
Investment in 100 % Subsidiary Anil (Afro-Asia) FZE	23.26	-
Investment in 100 % Subsidiary Anil (Europe) BV	10.33	-
In Mutual Fund		
18148.820 Units (P.Y Nil) of Principle Large Cap Fund (Market Value ₹ 5.26) (P.Y ₹ NIL)	5.00	-
Sub Total	79.72	44.24
Less : Diminution in Value of Investment	(7.56)	(7.56)
Total	72.17	36.69
Quoted Investments		
Cost Price	30.95	30.95
Market Value	151.04	67.94
SCHEDULE '7': INVENTORIES:		
(As taken Valued & Certified by Director)		
Stores, Spares and Fuel	595.65	725.48
Raw Materials	6,048.81	3,715.49
Work in Process	997.77	192.03
Finished Products [incl. Goods lying with Third Party ₹ NIL (P.Y ₹ 160.86 lacs)]	2,871.71	2,526.88
	10,513.94	7,159.88

Particulars	31st Mar 11	(₹ in Lacs) 31st Mar 10
SCHEDULE '8': SUNDRY DEBTORS:		
(Unsecured Considered Good, except stated other wise stated)		
Debts considered Doubtful	436.31	436.31
Less : Provision for doubtful debts	(436.31)	(436.31)
Debts considered Good		
Debts due for a period exceeding six months	556.78	1,091.94
Other	14,007.93	11,574.65
[Refer Note No. 8 (a) of Sch. 20]		
Total	<u>14,564.71</u>	<u>12,666.59</u>
SCHEDULE '9': CASH AND BANK BALANCES:		
A) Cash on hand	20.74	36.25
B) Balance With Schedule Bank		
- In Current Account	373.79	1,114.72
- In Deposit Account	758.29	206.70
- In Dividend Account	6.17	6.14
Debit Balance in Cash Credit Account	36.41	-
Total	<u>1,195.40</u>	<u>1,363.81</u>
SCHEDULE '10': LOANS AND ADVANCES:		
(Unsecured considered good except otherwise stated)		
Advances recoverable in cash or in kind or for value to be received		
Considered Good	97.14	38.82
Considered Doubtful	4.44	4.44
Provision for Doubtful debts	(4.44)	(4.44)
Deposits	51.49	42.49
Advances to Suppliers (Considered Good)	2,096.18	1,985.67
Advances to Suppliers (Considered Doubtful)	80.58	80.58
Advances to Suppliers for Capital Goods	507.14	15.04
Balance with Govt. Authorities	281.41	95.66
[Refer Note No. 8 (b) of Sch. 20]		
Total	<u>3,113.94</u>	<u>2,258.26</u>
SCHEDULE '11': CURRENT LIABILITIES:		
Sundry Creditors		
- Micro Small and Medium Enterprises (Refer Note No. 12 of Schedule 20)	-	-
- Others	5408.68	3,954.94
Sundry Creditors for Capital Goods	39.64	33.11
Unclaimed Dividends	6.14	6.14
[Does not include any amount due and outstanding, to be credited to "Investor Education and Protection Fund" except ₹ NIL (PY ₹ 0.05 Lacs)]		
Bank Overdraft	56.91	-
Statutory Liabilities	241.68	28.31
Interest accrued but not due	1.37	1.40
Advance from Customers	1,534.98	1,316.83
Total	<u>7,289.40</u>	<u>5,340.73</u>

Particulars	(₹ in Lacs)	
	31st Mar 11	31st Mar 10
SCHEDULE '12' : PROVISIONS:		
For Income Tax (Net of advance tax & TDS)	495.80	600.19
For Wealth Tax	0.60	0.35
For Gratuity	27.23	-
Proposed Dividend	195.32	97.66
Tax on Proposed dividend	32.44	16.60
Total	751.39	714.80
SCHEDULE '13' : GROSS INCOME FROM OPERATIONS:		
a) Manufacturing Sales		
- Domestic	47,731.53	35,580.96
- Export	4,360.62	2,542.01
b) Trading Goods	19.30	253.55
Total	52,111.45	38,376.52
SCHEDULE '14' : INCREASE/ (DECREASE) IN STOCKS:		
A) Closing Stocks		
- Finished Goods	2,871.71	2,526.88
- Work in Progress	997.77	192.03
Sub-Total (A)	3,869.48	2,718.91
B) Less : Opening Stocks		
- Finished Goods	2,526.88	935.66
- Work in Progress	192.03	190.07
Sub-Total (B)	2,718.91	1,125.73
Total (A-B)	1,150.57	1,593.18
SCHEDULE '15': OTHER INCOME:		
Dividend Income	1.64	0.72
Income from Units of Unit Trust of India	0.49	0.16
Foreign Exchange Fluctuation Gain (Net)	47.12	-
Miscellaneous Income	64.07	35.93
Rent Income [TDS ₹ 0.99 Lacs (P.Y ₹ 0.23 Lacs)]	10.90	3.19
Interest Income [TDS ₹ 3.62 Lacs (P.Y ₹ 1.37 Lacs)]	19.35	9.41
Total	143.57	49.41

Particulars	31st Mar 11	31st Mar 10
(₹ in Lacs)		
SCHEDULE '16': MATERIALS CONSUMED / TRADING GOODS:		
(a) Raw Material		
Opening Stock	3,715.49	843.59
Purchases	34,813.37	28,184.96
	<u>38,528.86</u>	<u>29,028.55</u>
Less :Closing Stock	6,048.81	3,715.49
Sub Total (A)	<u>32,480.05</u>	<u>25,313.06</u>
B) Trading Goods		
Opening Stock	-	-
Purchases	18.25	263.69
	<u>18.25</u>	<u>263.69</u>
Less: Closing Stock	-	-
Sub Total (B)	<u>18.25</u>	<u>263.69</u>
Total (A+B)	<u>32,498.30</u>	<u>25,576.75</u>
 SCHEDULE '17': MANUFACTURING & OTHER EXPENSES:		
A) Stores & Spares Consumed		
(Including Chemicals, Packing Material & Misc. Item)		
Opening Stocks	725.48	558.92
Add:- Purchases	2,256.51	1,602.68
	<u>2,981.99</u>	<u>2,161.60</u>
Less:- Closing Stock -	595.65	725.48
Sub-Total (A)	<u>2,386.34</u>	<u>1,436.12</u>
B) Power & Fuel	<u>3,548.76</u>	<u>3,305.09</u>
C) Employee's Emoluments		
Salaries & Wages	1,377.44	1,333.65
Staff Emoluments	118.13	53.94
Provident Fund	72.30	81.92
Bonus	32.34	30.19
Gratuity	27.23	1.50
Sub-Total (C)	<u>1,627.44</u>	<u>1,501.20</u>
D) Repairs & Maintenance		
Factory Building	16.29	37.52
Plant & Machinery	524.57	575.34
Others	29.75	75.40
Sub-Total (D)	<u>570.61</u>	<u>688.26</u>
E) Other Manufacturing Expenses		
Excise Duty Provision on Closing Stock of Finished Goods (net)	27.38	43.74
Sub-Total (E)	<u>27.38</u>	<u>43.74</u>

Particulars	(₹ in Lacs)	
	31st Mar 11	31st Mar 10
F) Other Expenses		
Selling & Distribution exps.	74.66	10.76
Commission	69.94	65.97
Brokerage & Discount	245.78	183.49
Inland & Export Freight Outward	749.66	352.68
Travelling Conveyance & Vehicle Expenses	101.30	92.07
Legal & Professional Charges.	465.76	145.05
General Expenses	235.09	252.18
Auditors' Remuneration	5.00	3.31
Postage & Telephone Expenses	39.00	28.66
Sales Tax Expenses	2.55	17.57
Loss on Sale of Assets	36.05	-
Rent, Rates & Taxes	75.36	42.59
Insurance Premium Charges	24.73	13.81
Sub-Total (F)	2,124.88	1,208.14
Total (A+B+C+D+E+F)	10,285.41	8,182.55
SCHEDULE '18': INTEREST & FINANCE CHARGES:		
(Net of Amount transferred to Capital Expenses)		
Interest on Term Loans	632.62	476.71
Interest on Working Capital	1,341.82	636.96
Total Interest on Term Loan & Working Capital	1,974.44	1,113.67
Foreign Exchange Fluctuation Loss (Net)	-	1.13
Other Interest & Finance Charges	821.17	479.77
Total	2,795.61	1,594.57
SCHEDULE '19': RESEARCH AND DEVELOPMENT EXPENSES:		
Salaries, Wages and Bonus	88.71	35.48
P.F. & E.S.I.	1.06	0.03
Other Manufacturing Expenses	89.77	35.51
Total	1.75	1.47
	91.52	36.98

SCHEDULE "20" : NOTES FORMING PART OF ACCOUNTS**(A) Significant Accounting Policies :****a. Method of Accounting**

The Financial Statements are prepared as per historical cost convention and in accordance with the Generally Accepted Accounting Principles in India, the provisions of the Companies Act, 1956, and the applicable Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006. All Income and Expenditures having material bearing on the Financial Statements are recognized on accrual basis.

b. Use of Estimates

The presentation of the Financial Statements in conformity with the Generally Accepted Accounting policies requires, the management to make estimates and assumptions that affect the reported amount of Assets and Liabilities, Revenues and Expenses and disclosure of contingent liabilities. Such estimation and assumptions are based on management's evaluation of relevant facts and circumstances as on date of Financial Statements. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

c. Revenue Recognition

Sales are stated inclusive of rebate and trade discount and excluding Central Sales Tax, State Value Added Tax. With regard to sale of products, income is reported when practically all risks and rights connected with the ownership have been transferred to the buyers. This usually occurs upon dispatch, after the price has been determined.

Export Benefits are accounted on accrual basis.

d. Fixed Assets

Tangible Fixed Assets acquired by the Company are reported at acquisition value, with deductions for accumulated depreciation [other than “freehold land” where no depreciation is charged] and impairment losses, if any. The acquisition value includes the purchase price (excluding refundable taxes), and expenses directly attributable to assets to bring it to the factory and in the working condition for its intended use. Where the construction or development of any such asset requiring a substantial period of time to set up for its intended use, is funded by borrowings if any, the corresponding borrowing cost are capitalized up to the date when the asset is ready for its intended use.

Capital work in progress is stated at Cost.

Pre-operative expenditure & trial run expenditure on the Project is capitalized amongst the various heads of fixed assets on the commencement of commercial production of respective project.

e. Depreciation

- i) Depreciation on Fixed Assets is provided on Straight Line Basis in accordance with the provisions of Section 205(2)(b) of the Companies Act, 1956 in the manner and at the rates specified in Schedule XIV to the said Act.
- ii) Depreciation on additions to Assets during the year is being provided on pro-rata basis with reference to month of acquisition/installation as required by Schedule XIV to the Companies Act, 1956.
- iii) Depreciation on assets sold, scrapped or demolished during the year is provided at their respective rates up to the date on which such assets are sold, scrapped or demolished, as required by Schedule XIV of the Companies Act, 1956.
- iv) No depreciation has been provided in respect of Capital Work in Progress.

f. Excise Duty

Excise Duties recovered are included in the sale of products. Excise duties in respect of Finished Goods lying in stock are shown separately as an item of Other Manufacturing Expenses and included in the valuation of finished goods.

g. Cash Flow Statement

The Cash Flow Statement is prepared by the “indirect method” set out in Accounting Standard 3 on “Cash Flow Statements” and presents the cash flows by operating, investing and financing activities of the Company.

Cash and Cash equivalents presented in the Cash Flow Statement consist of cash on hand and demand deposits with banks

h. Foreign Currency Transactions

Transactions in the foreign currency which are covered by forward contracts are accounted for at the contracted rate; the difference between the forward rate and the exchange rate at the date of transaction is recognized in the profit & loss account over the life of the contract. Transactions in the foreign currency other than those covered by forward contract rates are translated to the reporting currency based on the exchange rate on the date of the transaction. Exchange differences arising on settlement thereof during the year are recognized as income or expenses in the Profit and Loss Account.

Cash and bank balances, receivables and liabilities (monetary items) in foreign currencies as at the yearend are translated at closing-date rates, and unrealized translation differences are included in the Profit and Loss Account

i. Investments

Investments are classified as Long Term & Current Investments. Long Term Investments are valued at cost less provision for diminution other than temporary, in value, if any. Current Investments are valued at cost or fair value whichever is lower.

j. Valuation of Inventories

- i) Raw materials are valued at cost or net realizable value whichever is lower.
- ii) Work in progress has been valued at cost of materials and labour charges together with relevant factory overheads.
- iii) Finished Goods are valued at cost or net realizable value whichever is lower. (Inclusive Excise Duty).
- iv) Stores & Fuel are valued at cost or net realizable value whichever is lower.

k. Employee Benefit

(i) Short Term

Short Term employee benefits are recognized as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employees to the company.

(ii) Long Term

The Company has both defined contribution and defined benefit plans. These plans are financed by the Company in the case of defined contribution plans.

(iii) Defined Contribution Plans

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to Employees Provident Fund. The Company's payments to the defined contribution plans are reported as expenses during the period in which the employees perform the services that the payment covers.

(iv) Defined Benefit Plans

Expenses for defined benefit gratuity payment plans are calculated as at the balance sheet date by independent actuaries in the manner that distributes expenses over the employees working life. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discounted rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on Government Bonds with a remaining term i.e. almost equivalent to the average balance working period of employees.

(v) Other Employee Benefit

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the year end are reported as expenses during the year in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits after deducting amounts already paid.

l. Earning per Share

Basic earning per share is calculated by dividing the net profit after tax for the year attributable to Equity Shareholders of the Company by the weighted average number of Equity Shares in issue during the year. Diluted earning per Share is calculated by dividing net profit attributable to equity Shareholders (after adjustment for diluted earnings) by average number of weighted equity shares outstanding during the year.

m. Taxation

Income –tax expense comprises of current tax, and deferred tax charge or credit. Provision for current tax is made on the basis of the assessable income at the tax rate applicable to the relevant assessment year. The deferred tax asset and deferred tax liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets arising mainly on account of brought forward business losses, capital losses and unabsorbed depreciation under tax laws, are recognized, only if there is a virtual certainty of its realization, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognized only to the extent there is a reasonable certainty of its realization. At each balance sheet date, the carrying amount of deferred tax assets is reviewed to reassure realization.

n. Impairment

The carrying value of assets of the Company's cash generating units are reviewed for impairment annually or more often if there is an indication of decline in value based on internal/external factors. If any indication of such impairment exists, the recoverable amounts of those assets are estimated and impairment loss is

recognized, if the carrying amount of those assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the estimated future cash flows to their present value based on appropriate discount factor.

o. Provisions & Contingencies

A provision is recognized when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding long term benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized but are disclosed in the notes to the Financial Statements. A contingent asset is neither recognized nor disclosed.

p. Borrowing Cost

Borrowing costs are recognized in the period to which they relate, regardless of how the funds have been utilized, except where it relates to the financing of construction or development of assets requiring a substantial period of time to prepare for their intended future use. Interest on borrowings if any is capitalized up to the date when the asset is ready for its intended use. The amount of interest capitalized for the period is determined by applying the interest rate applicable to appropriate borrowings

q. Research & Development Expenditure

Research & Development Expenditure is charged to revenue. Capital expenditure on research and development is reported as fixed assets under the relevant head. Depreciation on research and development fixed assets are not classified as research and development expenses and instead included under depreciation expenses.

r. Leases

Lease Transactions entered into on or after April 1, 2001.

- (1) Assets acquired under lease where the Company has substantially all the risks and rewards incidental to ownership are classified as finance leases. Such assets are capitalized at the inception of the Lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.
- (2) Assets acquired on lease where a significant portion of risk and rewards incidental to ownership is retained by the leaser are classified as operating lease. Lease rental are charged to the profit and loss account on accrual basis.

s. Proposed Dividend & Corporate Dividend Tax

Dividend proposed by the Board of Directors along with corporate dividend tax is provided in the books of accounts. Approval in the General Meeting is pending for the same.

(B) NOTES FORMING PART OF THE ACCOUNTS:

1. Contingent Liability / Capital commitments not provided for in respect of :

(₹ In Lacs)

	As at 31st March, 2011	As at 31st March, 2010
<u>Contingent Liabilities</u>		
(a) Claims against the Company not acknowledged as Debts	22.88	22.88
(b) Disputed Sales Tax Demands – matter under appeal	47.23	47.23
(c) Disputed Excise Demand – matter under appeal	259.48	273.94
(d) Disputed Income Tax Liability – matter under appeal	71.62	6.43
(e) Guarantees of ₹ 2000 Lacs (P.Y. ₹ 2000 Lacs) given by the Company for loan taken by others from banks The balance outstanding is	2000.00	2000.00
(f) Guarantee limits of ₹ 157 Lacs (Previous year ₹ 157.00 lacs)	157.00	157.00

2. Financial and derivative instruments

Derivative Contract enter into by the company and outstanding as at March 31, 2011

(a) For hedging currency

(₹ In Lacs)

Particular	As at March 31, 2011	As at March 31, 2010
Out Standing Forward Contract	627.16	309.38

(b) The Company uses forward contracts to hedge its risk associated with foreign currency fluctuation. The Company does not use forward contracts for speculative purposes.

(c) The yearend foreign currency exposure that have not been hedged by any derivative instruments or otherwise are as under

Particular	Amount receivable in Foreign Currency	Amount Payable in Foreign Currency
Foreign Currency in Millions		
31-03-2011	US \$0. 678	Nil
31-03-2010	US \$ 0. 670	Nil
Indian Currency in lacs		
31-03-2011	302.49	Nil
31-03-2010	301.00	Nil

3. Inventories are as taken, valued and certified by a Director.

4. No provision is made for book debts of ₹ 291.10 Lacs and loans and advances of ₹ 80.50 Lacs considered doubtful of recovery.

5. In the opinion of the Board of Directors, the current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of business and the provisions for depreciation and all known and ascertained liabilities are adequate and not in excess of the amounts reasonably necessary.

6. Certain balance of Debtors, Loans and Advances, Creditors and Certain Bank balances are being carried forward since long. However in view of the management same is recoverable / payable and hence no provision for the same is made in the books of accounts.

7. Secured Loans

(₹ in Lacs)

	As at 31-03-2011	As at 31-03-2010
I. Term Loan From Bank	11229.65	8269.48
(a) Secured by first charge on Pari Passu basis on fixed assets of the Company.		
(b) Secured by first charge by way of Hypothecation on specific plant and Machinery of the company.		
(c) Secured by way of equitable mortgage of fixed assets of the company comprising of Land, Building and Fixed Machinery situated at Anil Road and Land, Building and Fixed Machinery situated at Village Palanpur, Taluka Kadi ranking Pari Passu in favour of all banks.		
II. Working Capital Facility from Banks	8000.24	7254.71
Secured by first charge on Pari Passu basis on Raw Material, stock in process, Finished goods Stores and spares, Packing Material and book debts and also secured by way equitable mortgage of fixed assets of the company comprising of Land, Building and Fixed Machinery situated at Anil Road and Land, Building and Fixed Machinery situated at Village Palanpur Taluka Kadi ranking Pari Passu in favour of all banks.		

8. a) Sundry Debtors Includes dues from Companies in which Directors of the company are interested ₹ 354.34 lacs (P.Y ₹ 628.18 lacs)

- b) Loans & Advances includes following advances given to parties with in the same management as defined under section 370 (1B) of the Companies Act,1956 :

	(₹ In Lacs)	
	As at 31-03-11	As at 31-03-10
Anil Mines & Minerals Ltd. (Formerly known as Anil Commodities limited) (Maximum balance during the year ₹ 7825.15 lacs) (P.Y ₹ 2515.89 Lacs)	1339.76	2005.26
Aseem Reality Pvt. Ltd. (Maximum balance during the year ₹ 12.02 lacs) (P.Y Nil)	12.02	-
Anil Tradecom Ltd. (Maximum Balance during the year ₹ Nil) (P.Y. ₹ 258.17 Lacs)	-	16.37
Bharti Consumer Marketing Pvt. Ltd. (Maximum balance outstanding during the year ₹ 12.50 Lacs) (P.Y. ₹ 12.50 Lacs)	-	12.50
Ascent Knowledge Systems Ltd.(Maximum outstanding balance during the year ₹ 48.67) (P.Y. ₹ 16.27 Lacs)	2.98	16.27
Anil Infraplus Ltd.(Maximum outstanding balance during the year ₹ 2505.19 Lac) (P.Y.Nil)	507.14	-

9. Prior Period Adjustments represents:

	(₹ In Lacs)	
	As at 31st March, 2011	As at 31st March, 2010
Net Operating (Income)/Expenses	(31.92)	12.31

10. Payment to Auditors:

	(₹ In Lacs)	
	For the year ended on 31st March, 2011	For the year ended on 31st March, 2010
Statutory Auditors:		
As Auditors (including service tax)	4.40	2.20
In other capacity:		
For Tax Audit	1.10	1.10
For Other Services(*)	3.30	-
Cost Auditors:		
i) As Auditors	0.10	0.10
(*) paid to proprietary concern of Partner of the Firm		

11. Managerial Remuneration:

Profit and loss account includes payments and provisions on account of remuneration to managing directors as under:

	(₹ In Lacs)	
	For the year ended on 31st March, 2011	For the year ended on 31st March, 2010
Chairman and Managing Director		
Salary	11.01	15.00
Contribution to Provident & other funds	1.32	1.80
Perquisites	6.20	8.29
Commission	110.08	75.00
	128.61	100.09
Managing Director		
Salary	15.00	15.00
Contribution to Provident & other funds	1.80	1.80
Perquisites	7.53	8.93
Commission	146.77	75.00
	171.10	100.73

Computation of Net Profit as per Section 349 read with Section 309(5) and Section 198 of the Companies Act, 1956.

	(₹ In Lacs)	
	For the year ended on 31st March, 2011	For the year ended on 31st March, 2010
Profit before tax as per P & L a/c	5388.04	3142.76
Add:		
Managerial Remuneration	299.72	200.82
Directors Sitting Fees	0.27	0.15
Loss on sale of Fixed Assets	36.05	-
Depreciation as per accounts	643.61	518.87
	979.65	719.85
Less:		
Depreciation as per Sec 350	643.61	518.87
Profit on sale of Fixed Assets	-	-
	643.61	518.87
Net Profit available for Managerial Remuneration	5724.08	3343.72
10% of the eligible amount of Commission :(subject to the Overall ceiling laid down in Section 198 and Section 309 Of the Companies Act, 1956	572.41	334.37
(i) 3.5%/(2.5%) of Net Profit to Chairman and Managing Director (Up to 25.12.2010) However Restricted to	146.55	83.59
(ii) 3.5%/(2.5%) of Net Profit to Chairman and Managing Director However Restricted to	110.08	75.00
	200.34	83.59
	146.77	75.00

12. In absence of the complete information regarding the status of the suppliers as micro small or medium enterprise as per the micro small and medium enterprise development act 2006, the information regarding the amount due to such parties as on the balance sheet date and provision for interest if any required by the said act is not been made.

13. The Company is engaged in manufacturing of starches and its derivatives and hence management is of the opinion that it does not have a reportable primary segment identifiable in accordance with the Accounting Standard 17 issued by the Institute of Chartered Accountants of India.

14. Employee Benefits

As per Accounting Standard 15 "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below :

a) Defined Benefit Plans

Contribution to Defined Contribution Plan, recognized as expense for the year is as under :

	2010-11	2009-10
Employer's Contribution to Provident Fund	34.34	30.97

i) Gratuity

	Gratuity (Funded)	
	2010-11	2009-10
I. Reconciliation of opening and closing balance of Defined Benefit obligation		
Defined Benefit obligation at beginning of the year	299.50	276.01
On amalgamation	-	-
Past Service Cost	15.94	-
Current Service Cost	16.34	16.98
Interest Cost	23.96	21.39
Actuarial (gain) / loss	(15.97)	11.20
Benefits paid	(35.83)	(26.08)
Settlement cost	-	-
Defined Benefit obligation at the year end	303.94	299.49

	Gratuity (Funded)	
	2010-11	2009-10
II. Reconciliation of opening and closing balance of fair value of plan assets		
Fair value of plan assets at beginning of the year	231.20	205.19
On amalgamation	-	-
Expected return on plan assets	18.50	15.90
Actuarial (gain) / loss	(5.45)	36.19
Benefits paid	(35.83)	26.08
Contribution by employer	-	-
Fair value of plan assets at the year end	208.42	231.20
Actual return on plan assets	10.52	52.10
III. Reconciliation of fair value of assets and obligations		
Fair value of plan assets	208.42	231.20
Presented value obligation	303.94	299.49
Amount recognized in Balance Sheet	(95.52)	68.29
IV. Expense recognized during the year		
Current Service Cost	16.34	16.98
Interest Cost	23.96	21.39
Past Service Cost	15.94	-
Expected return on plan assets.	(18.50)	(15.90)
Actuarial (gain) / loss	(10.52)	(24.99)
Net Cost	27.23	(2.52)
V. Investment Details		
Public Securities	-	-
Special Deposit Schemes	-	-
State Govt. Securities	-	-
Private Sector Securities	-	-
Insurance Policies	208.42	-
Others (including bank balances)	-	-
VI. Actuarial Assumptions		
Discount rate (per annum)	8.25%	8.00%
Expected rate of return on plan assets (per annum)	8.25%	8.00%
Rate of escalation in salary (per annum)	5.00%	5.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factor including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets the Company's policy for the plan assets management.

15. Related Party disclosure as required by AS-18:

NAME OF THE RELATED PARTIES AND NATURE OF RELATIONSHIP WHERE CONTROL EXISTS

SR NO. NAME OF RELATED PARTY

(I) ASSOCIATE COMPANY/ENTERPRISES WHERE COMMON CONTROL EXISTS

- 1 Anil Bioplus Ltd. (Previously known as Anil Biochem Ltd.)
- 2 Anil Tradecom Ltd.
- 3 Anil Mines & Minerals Ltd. (Formerly Known as Anil Commodities Limited)
- 4 Agranil Marketing Ltd.
- 5 Aught Investments Pvt. Ltd.
- 6 Rahil Marketing Pvt. Ltd.
- 7 Agallochun Investments Pvt. Ltd.
- 8 Naimesh Trading Pvt. Ltd.
- 9 Anil Hospitality Ventures Ltd.
- 10 Bharti Consumer Marketing Pvt Ltd.
- 11 Ascent Knowledge System Ltd.

- 12 Anil Nutrients Limited
- 13 Anil Technoplus Limited
- 14 Anil Infraplus Limited
- 15 Anil Life science Limited
- 16 Anil (Afro-Asia) FZE
- 17 Anil (Europe) BV

(II) KEY MANAGEMENT PERSONNEL

- 1 SHRI SHRIPAL C. SHETH CHAIRMAN & MANAGING DIRECTOR
(ceased w.e.f. 26.12.2010)
- 2 SHRI AMOL S. SHETH CHAIRMAN & MANAGING DIRECTOR

(III) RELATIVES OF KEY MANAGEMENT PERSONNEL

- 1 SHRI SHREYAS C. SHETH : [Brother of Late Shri Shripal C.Sheth]

(IV) ENTERPRISE IN WHICH RELATIVE OF KEY MANAGEMENT PERSONNEL ARE INTERESTED

- 1 AMOL DICALITE LTD

The following transactions were carried with the related parties in the ordinary course of business

(₹ In Lacs)

PARTICULARS	ASSOCIATES		KEY MANAGEMENT PERSONNEL		RELATIVES OF KEY MANAGEMENT PERSONNEL		TOTAL	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
(I) VOLUME OF TRANSACTIONS								
(A) PURCHASE OF GOODS								
AAMOL DICALITE LTD	-	-	-	-	65.23	56.10	65.23	56.10
ANIL BIOPLUS LTD	0.09	-	-	-	-	-	0.09	-
ANIL MINES AND MINERALS LTD. (Previously known as ANIL COMMODITIES LTD.)	30289.37	26065.76	-	-	-	-	30289.37	26065.76
ANIL TRADECOM LTD	556.09	356.70	-	-	-	-	556.09	356.70
AGRANIL MARKETING LIMITED	470.23	641.14	-	-	-	-	470.23	641.14
RAHIL MARKETING PVT LTD	0.66	90.36	-	-	-	-	0.66	90.36
ANIL NUTRIENTS LTD	262.57	444.27	-	-	-	-	262.57	444.27
ASCENT KNOWLEDGE SYSTEM LTD.	265.66	55.25	-	-	-	-	265.66	55.25
(B) PURCHASE OF CAPITAL GOODS								
ANIL INFRAPLUS LTD	3324.06	2143.76	-	-	-	-	3324.06	2143.76
(C) SALES OF GOODS								
ANIL BIOPLUS LTD	273.13	199.47	-	-	-	-	273.13	199.47
ANIL NUTRIENTS LTD	1880.83	1956.54	-	-	-	-	1880.83	1956.54
ANIL HOSPITALITY VENTURES LTD.	0.16	-	-	-	-	-	0.16	-
(D) UTILITY SERVICES								
ANIL BIOPLUS LTD	327.97	77.24	-	-	-	-	327.97	77.24
SALE OF FIXED ASSETS								
ANIL TECHNOPLUS LTD.	110.00	-	-	-	-	-	110.00	-
(E) REIMBURSEMENT OF EXPENSES								
ANIL BIOPLUS LTD	70.50	86.18	-	-	-	-	70.50	86.18
ANIL HOSPITALITY VENTURES LTD	21.66	8.94	-	-	-	-	21.66	8.94
(F) INTERCORPORATE DEPOSITS TAKEN								
ANIL TRADECOM LTD	-	280.00	-	-	-	-	-	280.00
ANIL MINES AND MINERALS LTD. (Previously known as ANIL COMMODITIES LTD.)	-	1625.00	-	-	-	-	-	1625.00
(G) SALES OF INVESTMENTS								
AGRANIL MARKETING LIMITED	-	1.80	-	-	-	-	-	1.80
AUGHT INVESTMENTS PVT.LTD	-	1.85	-	-	-	-	-	1.85
BHARTI CONSUMER MARKETING PVT.LTD.	-	4.18	-	-	-	-	-	4.18
AGALLOCHUN INVESTMENTS PVT LTD	-	4.18	-	-	-	-	-	4.18
ANIL COMMODITIES LTD.	2.00	-	-	-	-	-	2.00	-
ANIL TRADECOMM LTD	2.00	-	-	-	-	-	2.00	-
(H) REPAYMENT OF LOAN TAKEN								
ANIL MINES AND MINERALS LTD. (Previously known as ANIL COMMODITIES LTD.)	1625.00	1625.00	-	-	-	-	1625.00	1625.00
ANIL TRADECOM LTD	280.00	280.00	-	-	-	-	280.00	280.00
NAIMISH TRADING PVT LTD	1.25	-	-	-	-	-	1.25	-
(I) LOAN SQUARE OFF								
RAHIL TRADING PVT.LTD.	-	3.81	-	-	-	-	-	3.81



(₹ In Lacs)

PARTICULARS	ASSOCIATES		KEY MANAGEMENT PERSONNEL		RELATIVES OF KEY MANAGEMENT PERSONNEL		TOTAL	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
(J) PAYMENT OF INTEREST								
ANIL TRADECOM LTD	0.09	5.15	-	-	-	-	0.09	5.15
ANIL MINES AND MINERALS LTD. (Previously known as ANIL COMMODITIES LTD.)	0.53	22.13	-	-	-	-	0.53	22.13
NAIMESH TRADIN PVT LTD	0.42	0.15	-	-	-	-	0.42	0.15
(K) RENTAL INCOME								
ANIL BIOPLUS LTD	0.96	-	-	-	-	-	0.96	-
ANIL INFRAPLUS LTD	9.00	2.25	-	-	-	-	9.00	2.25
(L) REMUNERATION TO DIRECTORS								
SHRIPAL C.SHETH	-	-	128.61	100.09	-	-	128.61	100.09
AMOL S. SHETH	-	-	171.10	100.73	-	-	171.10	100.73
KAMAL SHETH	-	-	0.21	0.06	-	-	0.21	0.06
ANISH SHAH	-	-	0.21	0.06	-	-	0.21	0.06
INDIRABEN J PARIKH	-	-	0.03	0.03	-	-	0.03	0.03
(M) CORPORATE GUARANTEES								
ANIL MINES AND MINERALS LTD. (Previously known as ANIL COMMODITIES LTD.)	2000.00	2000.00	-	-	-	-	2000.00	2000.00
(II) BALANCE AT THE END OF THE PERIOD								
(A) UNSECURED LOANS								
ANIL MINES AND MINERALS LTD. (Previously known as ANIL COMMODITIES LTD.)	-	1625.00	-	-	-	-	-	1625.00
ANIL TRADECOM LTD	0.08	280.00	-	-	-	-	0.08	280.00
NAIMESH TRADING PVT LTD	-	1.25	-	-	-	-	-	1.25
(B) CURRENT LIABILITIES								
AMOL DICALITE LTD	12.47	12.30	-	-	-	-	12.47	12.30
ANIL MINES AND MINERALS LTD. (Previously known as ANIL COMMODITIES LTD.)	2044.68	-	-	-	-	-	2044.68	-
ANIL TRADECOM LTD	788.22	-	-	-	-	-	788.22	-
AGRANIL MARKETING LIMITED	348.53	2.09	-	-	-	-	348.53	2.09
ANIL HOSPITALITY VENTURES LTD	1.38	1.93	-	-	-	-	1.38	1.93
NAIMESH TRADING PVT LTD	0.42	0.42	-	-	-	-	0.42	0.42
ANIL INFRAPLUS LTD	-	3.77	-	-	-	-	-	3.77
ANIL TECHNOPLUS LTD.	0.54	-	-	-	-	-	0.54	-
ANIL NUTRIENTS LTD.	44.25	-	-	-	-	-	44.25	-
AGRANIL MARKETING Div. of ANIL NUTRIENTS LTD	80.23	-	-	-	-	-	80.23	-
(C) INVESTMENTS								
100% ANIL BIOPLUS LTD. (AFRO-ASIA) FZE	23.26	-	-	-	-	-	23.26	-
100% ANIL BIOPLUS LTD. (EROPE) BV	10.33	-	-	-	-	-	10.33	-
ANIL TRADECOM LTD.	-	2.00	-	-	-	-	-	2.00
ANIL COMMODITIES LTD.	-	2.00	-	-	-	-	-	2.00
(D) LOANS & ADVANCES								
ANIL MINES AND MINERALS LTD. (Previously known as ANIL COMMODITIES LTD.)	1339.76	2005.26	-	-	-	-	1339.76	2005.26
BHARTI CONSUMER MARKETING PVT LTD	-	12.50	-	-	-	-	-	12.50
ANIL TRADECOM LTD	-	16.37	-	-	-	-	-	16.37
ASCENT KNOWLEDGE SYSTEM LTD	2.98	16.27	-	-	-	-	2.98	16.27
ANIL INFRAPLUS LTD	507.14	-	-	-	-	-	507.14	-
RAHIL MARKETING PVT. LTD.	11.20	11.20	-	-	-	-	11.20	11.20
ZERO COUPON CONVERTIBLE DEBENTURES								
ANIL MINES AND MINERALS LTD	1625.00	-	-	-	-	-	1625.00	-
ANIL NUTREINTS LTD	400.00	-	-	-	-	-	400.00	-
AGRANIL MARKETING LTD	375.00	-	-	-	-	-	375.00	-
AUGHT INVESTMENTS PVT LTD	980.00	-	-	-	-	-	980.00	-
(E) DEBTORS								
ANIL BIOPLUS LTD.	349.96	76.93	-	-	-	-	349.96	76.93
AUGHT INVESTMENTS PVT LTD	-	24.16	-	-	-	-	-	24.16
ANIL NUTRIENTS LTD	-	229.41	-	-	-	-	-	229.41
AGRANIL MARKETING Div. of ANIL NUTRIENTS LTD	-	268.30	-	-	-	-	-	268.30
BHARTI CONSUMER MARKETING PVT LTD	-	25.00	-	-	-	-	-	25.00
ABLOOM INVESTMENT PVT.LTD.	4.38	4.38	-	-	-	-	4.38	4.38

16. Leases:

- (I) In accordance with accounting standard 19 'Leases' issued by the Institute of Chartered Accountants of India, the assets acquired on finance lease on or after April 1, 2001 are capitalized and a loan liability recognized. Consequently, depreciation is provided on such assets. Installments paid are allocated to the liability and the interest is charged to the Profit & Loss Account.
- (II) Assets acquired on Lease agreements mainly comprise of Computers and Sap Software. The agreements provide for reimbursement of taxes, levy, etc. imposed by any authorities in future. There are no exceptional/restrictive covenants in the Lease Agreements.

The minimum installments as at 31st March, 2011 and the present value as at 31st March 2011 of minimum installments in respect of assets acquired under the Lease Agreements are as follows:

Minimum Installments	(₹ in Lacs)	
	31st March, 2011	31st March, 2010
I) Payable not later than 1 year	12.02	18.30
ii) Payable later than 1 year and not later than 5 years	-	25.72
iii) Payable later than 5 years	-	-
Total minimum installments	12.02	44.02
Less: Future finance charges	-	-
Present value of minimum installments	12.02	44.02
Present Value of Minimum Installments		
I) Payable not later than 1 year	-	-
ii) Payable later than 1 year and not later than 5 years.	-	-
iii) Payable later than 5 years	-	-
Present value of minimum installments	-	-

17. Calculations of Earnings Per Share (EPS)

	(₹ in Lacs)	
	31/03/11	31/03/10
A. Profit after tax attributable to Shareholders	4025.40	2399.22
B. No. of Equity Shares as at the beginning of the year	97,66,166	74,00,000
C. 23,66,166 Warrants converted in to equity shares 11/04/2009 (fully paid up)	-	23,01,340
D. Weighted Average Equity Shares for the year	97,66,166	97,01,340
E. Basic and Diluted EPS (Price Per Share ₹ 10)	41.22	24.57

18. Deferred Tax Assets/(Liability).

The breakup of Deferred Tax as at 31.03.2011 is as under.

Particulars	(₹ In Lacs)	
	31-03-2011	31-03-2010
Deferred tax assets		
- Others	0.00	41.06
[A]	0.00	41.06
Deferred tax liabilities		
- Depreciation Difference	1944.58	1668.45
[B]	1944.58	1668.45
NET DEFERRED TAX LIABILITY [A-B]	(1944.58)	(1627.38)

19. Additional information pursuant to the provisions of paragraphs 3 and 4 of Part II of Schedule VI to the Companies Act, 1956:

(Amount in Lacs)

I. Capacity (As certified by Management)

Class of Products	Annual Licensed capacity [MT]		Annual Installed Capacity [MT]	
	2010-11	2009-10	2010-11	2009-10
Biological Agents	18615	18615	18615	18615
Food, Pharma & Animal Healthcare Ingredients	121180	119180	121180	119180
Industrial & Allied Products	118990	116935	118990	116935

Note : a) The Company's products are not required to have licensing as per prevailing Industrial Policy.

b) As certified by Management and accepted by Auditors, being a technical matter.

(Amount in Lacs)

II. PRODUCTION

Class of Product	2010-11 Qty. (MT)	2009-10 Qty. (MT)
FINISHED GOODS		
Biological Agents	15318.218	13762.000
Food, Pharma & Animal Healthcare Ingredients	92104.524	87914.000
Industrial & Allied Products	85581.327	66981.000
Total	193004.069	168657.000
PREVIOUS YEAR FIGURES	168657.000	112955.000

Note : Production meant for sale

III. TURNOVER (Excluding trading turnover)

(Amount in Lacs)

Class of Goods	2010-11		2009-10	
	QTY [MT]	Value (Net of Excise duty)	QTY [MT]	Value (Net of Excise duty)
1. Finished Goods				
(a) Biological Agents	13068.218	5189.46	14959.095	3419.81
(b) Food, Pharma & Animal Healthcare Ingredients	95492.890	27468.75	86001.130	19142.58
(c) Industrial & Allied Products	84763.487	17698.54	85022.291	14299.05
(d) Others		32.30		294.91
Total		50389.05		37156.35
PREVIOUS YEAR FIGURES		37156.35		25438.95

IV. OPENING AND CLOSING STOCKS

(Amount in Lacs)

Class of Goods	Opening Stocks				Closing Stocks			
	As at 01-04-2010		As at 01-04-2009		As at 31-03-2011		As at 31-03-2010	
	QTY [MT]	Value (₹)	QTY [MT]	Value (₹)	QTY [MT]	Value (₹)	QTY [MT]	Value (₹)
1) Finished Goods								
Biological Agents	0	0	0	0	2250.00	547.25	0	0
Food, Pharma & Animal Healthcare Ingredients	9290.46	1753.88	1434	290.41	5902.09	1296.10	9290.46	1753.88
Industrial & Allied Products	5438.99	773.00	3950	548.01	6256.83	1028.36	5438.99	773.00
Others		0.00		97.24		0.00		0.00
Total		2526.88		935.66		2871.71		2526.88
PREVIOUS YEAR		935.66		1645.08		2526.88		935.66

V. MATERIAL CONSUMED (Excluding trading goods & Captive use)

(Amount in Lacs)

Class of Goods	2010- 11		2009- 10	
	QTY [MT]	Value (₹)	QTY [MT]	Value (₹)
RAW MATERIAL				
Agricultural Commodities	201819.63	29776.02	193735.76	24500.99
Others	-	2704.03	-	812.07
Total		32480.05		25313.06
PREVIOUS YEAR		25313.06		15261.65

VI. PARTICULARS OF TRADING GOODS

(Amount in Lacs)

Particulars	Opening Stock		Purchase		Turn Over		Closing Stock	
	QTY [MT]	Value (₹)	QTY [MT]	Value (₹)	QTY [MT]	Value (₹)	QTY [MT]	Value (₹)
Total	-	-	87.500	18.25	87.500	19.30	-	-
PREVIOUS YEAR	-	-	2797.610	263.69	2797.610	253.55	-	-

VII. Value of Imported And Indigenous - Materials, Stores And Spare Parts Consumed And Percentage Thereof.

(Amount in Lacs)

Raw Materials	2010-11		2009-10	
	Value (₹)	(%)	Value (₹)	(%)
[1] MANUFACTURING ACTIVITY				
a) Imported	607.42	1.87%	101.01	0.40%
b) Indigenous	31872.63	98.13%	25212.05	99.60%
Total	32480.05	100.00%	25313.06	100.00%
P.Y	25313.06	100.00%	15261.66	100.00%
[2] TRADING ACTIVITY				
Value of Imported & Indigenous Trading goods Purchased & their Percentage of total Consumption.				
a) Imported	-	-	-	-
b) Indigenous	18.25	100%	263.69	100%
Total	18.25	100%	263.69	100%
P.Y	263.69	100%	2178.23	100%
[3] STORES CONSUMED				
a) Imported	21.24	0.89%	1.04	0.70%
b) Indigenous	2365.10	99.11%	1435.08	99.30%
Total	2386.34	100%	1436.12	100%
P.Y	1436.12	100%	1352.56	100%

20. CIF Value of Imports

(₹ in Lacs)

	2010-2011	2009-2010
i) Raw Material	607.42	101.01
ii) Capital Goods	0.73	0.89
iii) Stores & Spares	21.24	1.04
21. Expenditure in Foreign Currency		
- Travelling Expenses	37.45	46.14
- Commission on Export Sales.	36.95	22.02
22. Earning in Foreign Exchange		
- FOB Value of exports	4360.62	2526.88

23. Previous year's figures have been regrouped and rearranged wherever necessary.

24. Information required in terms of Part IV of Schedule VI to the Companies Act 1956 as compiled by the Company is attached.



**Statement pursuant to part IV of Schedule VI of the Companies Act, 1956.
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
NAME OF THE COMPANY : ANIL LIMITED**

I. REGISTRATION DETAILS

CIN No.

L 1 5 4 9 0 G J 1 9 9 3 P L C 0 1 9 8 9 5

Registration No.

1 9 8 9 5

State Code

0 4

Balance Sheet Date

3 1 0 3 2 0 1 1

II. CAPITAL RAISED DURING THE YEAR (Amount in ₹ Thousands)

Public Issue

N I L

Rights Issue

N I L

Bonus Issue

N I L

Private Placement

N I L

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in ₹ Thousands)

Total Liabilities

4 1 4 6 7 3 6

Total Assets

4 1 4 6 7 3 6

Sources of Funds

Paid up Capital

9 7 6 6 2

Reserves and Surplus

1 2 1 1 5 2 7

Secured Loans

1 9 2 9 2 1 6

Unsecured Loans

7 1 3 8 7 3

Deferred Tax Liability (Net)

1 9 4 4 5 8

Application of Funds

Net Fixed Assets

2 0 0 4 7 9 9

Investments

7 2 1 7

Net Current Assets

2 1 3 4 7 2 0

Misc. Expenditure

N I L

Accumulatated Losses

N I L

IV. PERFORMANCE OF COMPANY (Amounts in ₹ Thousands)

Turnover

5 2 1 1 1 4 5

Total Expenditure

4 5 6 7 0 8 4

Profit/Loss Before Tax

5 3 8 8 0 4

Profit/Loss After Tax

3 9 9 3 4 8

Earning Per Share in Rs.

4 1 . 2 2

Dividend Rate %

2 0 %

V. Generic Names of Three Principal Products / Services of the Company (as per monetary terms)

Item Code No. (ITC Code)

1 1 0 8 1 2

Product Description

S T A R C H

Item Code No. (ITC Code)

1 7 0 2 4 0

Product Description

L I Q U I D G L U C O S E

As per our report of even date attached

For Parikh & Majmudar

Chartered Accountants

Hiton Parikh

Partner

M. No. 40230

FRN No. 107525W

Place : Ahmedabad

Date : 12/05/2011

Chandresh Pandya
Company Secretary

For and on behalf of the Board of Directors

Amol Sheth

Chairman & Managing Director

Kamal Sheth

Director

Dipal Palkhiwala

Chief Financial Officer

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To
 The Board of Directors of
 M/S. ANIL LIMITED (Formerly Known as Anil Products Limited)
 AHMEDABAD

1. We have audited the attached Consolidated Balance Sheet of **M/S. ANIL LIMITED (Formerly Known as Anil Products Limited)** and its subsidiaries as at 31st March, 2011, the Consolidated Profit and Loss Account and also the Consolidated Cash Flow Statement for the year ended on that date annexed there to. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of subsidiary whose financial statements reflect total assets (net) of ₹ 21.28 Lacs as at March 31, 2011, total revenues of ₹ Nil for the year ended on that date. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.
4. We report that the consolidated financial statements have been prepared by the company's management in accordance with the requirements of the Accounting Standard (AS) 21 Consolidated Financial Statements notified by companies (Accounting Standard) Rules, 2006.
5. Based on our audit & comments as aforesaid and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components and accounts furnished by the management as explained in para 3 above and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements with significant accounting policies and notes thereon, give a true and fair view in conformity with the accounting principles generally accepted in India;
 - i) in so far as it relates to the Consolidated Balance Sheet of the state of affairs of the Company as at 31st March, 2011 and
 - ii) in so far as it relates to the Consolidated profit and loss account of the profit of the company for the year ended on that date.
 - iii) in so far as its relates to the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.
 - iv) Without qualifying our opinion, we draw our attention to :
regarding non provision of doubtful debts and loans and advances of ₹ 291.10 Lacs and ₹ 80.50 Lacs respectively.

For PARIKH & MAJMUDAR
 Chartered Accountants
[HITEN PARIKH]
 Partner
 Membership No. 40230
 FRN No. 107525W

Place : Ahmedabad
 Date : 12.05.2011

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011**

Particulars	Schedule	31st Mar 11	(₹ in Lacs) 31st Mar 10
SOURCES OF FUNDS:			
1. Shareholders' Funds			
a) Share Capital	1	976.62	976.62
b) Reserves and Surplus	2	12,102.96	8,317.28
		13,079.58	9,293.90
2. Loan Funds			
a) Secured Loans	3	19,292.16	15,589.66
b) Unsecured Loans	4	7,138.73	4,816.02
		26,430.89	20,405.68
3. Deferred Tax Liability (Refer Note No. 6 of Schedule 20)		1,944.58	1,627.38
		41,455.05	31,326.96
APPLICATION OF FUNDS:			
1. Fixed Assets	5		
a) Gross Block		20,775.73	14,688.75
b) Less : Depreciation		3,054.10	2,520.46
c) Net Block		17,721.62	12,168.28
d) Capital work-in-progress		2,326.37	1,728.98
		20,047.99	13,897.26
2. Investments	6	38.58	36.69
3. Current Assets & Loans & Advances			
a) Inventories	7	10,513.94	7,159.88
b) Sundry Debtors	8	14,564.71	12,666.59
c) Cash & Bank Balances	9	1,216.96	1,363.81
e) Loans & Advances	10	3,114.55	2,258.26
		29,410.16	23,448.54
Less : Current Liabilities & Provisions			
a) Current Liabilities	11	7,290.29	5,340.73
b) Provisions	12	751.39	714.80
		8,041.68	6,055.53
Net Current Assets		21,368.48	17,393.01
		41,455.05	31,326.96
Notes forming part of Accounts	20		

As per our report of even date attached

For Parikh & Majmudar

Chartered Accountants

Hiten Parikh

Partner

M. No. 40230

FRN No. 107525W

Place : Ahmedabad

Date : 12/05/2011

Chandresh Pandya

Company Secretary

For and on behalf of the Board of Directors

Amol Sheth

Chairman & Managing Director

Kamal Sheth

Director

Dipal Palkhiwala

Chief Financial Officer

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule	2010-11	(₹ in Lacs) 2009-10
INCOME:			
1. Gross Income from operations	13	52,111.45	38,376.52
Less :- Excise Duty		1,703.10	966.62
Net sales		50,408.35	37,409.90
2 Increase / (Decrease) in Stocks	14	1,150.57	1,593.18
3 Other Income	15	143.57	49.41
Total		51,702.49	39,052.49
EXPENDITURE			
1 Material consumed / Trading Goods	16	32,498.30	25,576.75
2 Manufacturing & Other Exps.	17	10,297.72	8,182.55
3 Interest & Finance Charges	18	2,795.61	1,594.57
4 Research and Development Exps	19	91.52	36.98
Total		45,683.15	35,390.85
Profit before Dep. and Taxation		6,019.34	3,661.64
Depreciation		643.61	518.88
Profit before Taxation		5,375.73	3,142.76
Provision for Taxation			
- Current Tax		1,055.00	600.00
- Wealth Tax		0.60	0.35
- Deferred Tax		317.20	130.88
Short/excess prov. of earlier years w/o		21.76	-
		1,394.56	731.23
Profit after Tax		3,981.17	2,411.53
Add : Prior period adjustments		31.92	(12.31)
Profit For the Year		4,013.09	2,399.22
Bal. brought forward from Previous Year		4,343.42	2,308.11
Total		8,356.51	4,707.33
Appropriations			
Proposed Dividend		195.32	97.66
Corporate Dividend Tax		32.44	16.60
Transfer to General Reserve		400.00	250.00
Balance Carried to Balance Sheet		7,728.75	4,343.42
		8,356.51	4,707.68
Earning per share Basic		41.09	24.57
Earning per share Diluted. (Equity share of ₹ 10 each) (Refer Note No. 5 of Sch 20)		41.09	24.57

Notes forming part of Accounts

20

As per our report of even date attached

For Parikh & Majmudar
Chartered Accountants

Hiten Parikh
Partner
M. No. 40230
FRN No. 107525W
Place : Ahmedabad
Date : 12/05/2011

Chandresh Pandya
Company Secretary

For and on behalf of the Board of Directors

Amol Sheth Chairman & Managing Director
Kamal Sheth Director
Dipal Palkhiwala Chief Financial Officer

SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET

Particulars	31st Mar 11	(₹ in Lacs) 31st Mar 10
SCHEDULE '1': SHARE CAPITAL:		
Authorised Capital 20000000 (P.Y. 20000000) Equity Shares of ₹ 10/- each	2,000.00	2,000.00
Issued, Subscribed & Paid-up 9766166 (P.Y. 9766166) Equity Shares of ₹ 10/- each fully paid up	976.62	976.62
Total	976.62	976.62
SCHEDULE '2': RESERVES AND SURPLUS:		
i) Capital Reserve	11.09	11.09
ii) General Reserve		
Op. Balance	270.00	20.00
Add : Addition during the year	400.00	250.00
Closing Balance	670.00	270.00
iii) Amalgamation Reserve (On Amalgamation of The Anil Starch Products Ltd and Anil Consumer Products Ltd. with the Company with effect from 1st April, 2001)	2,510.04	2,510.04
iv) Surplus in Profit and Loss Account	7,728.75	4,343.07
v) Security Premium Account	1,183.08	1,183.08
Total	12,102.96	8,317.28
SCHEDULE '3': SECURED LOANS:		
A) From Banks		
i) Term Loans	11,229.65	8,269.48
ii) Working Capital Facilities Cash Credit Facilities	8,000.24	7,254.71
B) Others		
iii) Vehicle Loans (Secured by Vehicles Purchased there from)	61.65	64.25
S.I.D.B.I. (Secured by Guarantee given by companies bankers against hypothecation of machinery purchased therefrom)	0.62	1.22
Total	19,292.16	15,589.66

Particulars	(₹ in Lacs)	
	31st Mar 11	31st Mar 10
SCHEDULE '4': UNSECURED LOANS :		
Fixed Deposits		
Members	1.27	1.53
Public	264.15	184.05
From Companies	3,390.72	4,563.25
From Others	102.59	67.19
Zero Coupon Convertible Debentures (Convertible Redeemable Preference Shares) Includes ₹ 0.08 lacs (P.Y ₹ 1906.25 lacs) dues to companies in which directors of the company are interested)	3,380.00	-
Total	7,138.73	4,816.02

SCHEDULE '5': FIXED ASSETS:

Description	Gross Block (at cost)				Depreciation			Net Block		
	Op. Bal. As on 1/4/10	Addi- tions	Sale/Adjus- ment du- ring the yr.	Cl. Bal. As on 31/3/11	Op. Bal. Upto 1/4/10	Additions For the year	Sale/ Adjustment for the year	Cl. Bal. Upto 31/3/11	As on 31/3/11	As on 31/3/10
1. Freehold Land	2939.13	0.00	4.38	2934.75	0.00	-	-	0.00	2,934.75	2,939.13
2 Building	936.85	817.16	117.97	1636.04	218.34	30.32	45.53	203.13	1,432.91	718.51
3 Plant and Machinery	10328.31	5152.50	106.40	15374.41	2063.98	581.74	46.75	2598.97	12,775.44	8,264.33
4 Electric Installation	13.19		13.19	0.00	8.21	0.57	8.78	0.00	-	4.98
5 Dead Stock & Furniture	230.53	34.21	0.41	264.33	107.43	11.09	0.37	118.15	146.18	123.10
6 Vehicles	162.12	60.21	13.67	208.66	61.00	15.85	8.53	68.32	140.35	101.13
7 Business Solution software	78.61	278.92	0.00	357.53	61.49	4.04	-	65.53	292.00	17.12
SUB-TOTAL	14,688.75	6,343.00	256.02	20,775.73	2,520.45	643.61	109.96	3,054.10	17,721.62	12,168.29
Previous Year	11,837.29	2,851.46	-	14,688.75	2,001.58	518.88	-	2,520.46	12,168.28	12,168.28
Capital Work-in-progress									2,326.37	1,728.98
TOTAL									20,047.99	11,564.68

Notes

- (a) Include premises on ownership basis ₹ 5.74 Lacs (Previous Year ₹ 5.74 Lacs) and cost of shares in Owners Association ₹ 0.01 Lac (Previous year Rs.0.01 Lac).
- (b) Vehicles includes ₹ 123.34 Lacs (Previous Year ₹ 61.53 Lacs) being cost of assets purchased under hire purchase basis on which the vendors have a lien.
- (c) Additions during the year include Research and Development assets is under :

Particulars	2010-11	2009-10
Plant and Machineries	146.19	750.72
Total	146.19	750.72



Particulars	(₹ in Lacs)	
	31st Mar 11	31st Mar 10
SCHEDULE '6': INVESTMENTS :		
In Government and Trust Securities		
Quoted:		
7,924 US 64 Bonds of Rs.100 each (7924 Units of ₹ 10/- each in Unit Trust of India converted into 7924 US 64 Bonds w.e.f.01/06/2003)	9.17	8.68
Unquoted:		
7 Years National Savings Certificates of the face value of ₹ 51,000/- *	0.51	0.11
6 years National Savings Certificates of the face value of ₹ 30,500/- *	0.31	0.31
* (Deposited with Government department as security Deposit)		
In Shares, and Debentures, other than trade		
Quoted:		
2,567 (P.Y. 2567) fully paid Equity Shares of ₹ 10/- each in Gujarat State Fertilizer's Co. Ltd.	5.24	5.24
5425 fully (P.Y. 5425) fully paid Equity Shares of ₹ 10/- each of The Arvind Mills Ltd.	12.63	12.63
200 (P.Y. 200) fully paid Equity Shares of ₹ 10/- each in Corporation Bank.	0.16	0.16
28,700 (P.Y. 28700) fully paid Equity Shares of ₹ 10/- each in Bank of India.	12.92	12.92
Unquoted :		
2,000 fully paid shares of ₹ 10/- each in The Kapole Co-operative Bank Ltd.	0.20	0.20
20,000 fully paid Equity Shares of ₹ 10/- each of Anil Commodities Ltd	-	2.00
20,000 fully paid Equity Shares of ₹ 10/- each of Anil Tradecomm Ltd	-	2.00
In Mutual Fund		
18148.820 Units (P.Y Nil) of Principle Large Cap Fund (Market Value ₹ 5.26) (P.Y ₹ NIL)	5.00	-
Sub Total	46.13	44.24
Less : Dimunition in Value of Investment	(7.56)	(7.56)
	38.58	36.69
Quoted Investments		
Cost Price	30.95	39.63
Market Value	151.04	67.94
SCHEDULE '7': INVENTORIES:		
(As taken Valued & Certified by Director)		
Stores, Spares and Fuel	595.65	725.48
Raw Materials	6,048.81	3,715.49
Work in Process	997.77	192.03
Finished Goods	2,871.71	2,526.88
Total	10,513.94	7,159.88
SCHEDULE '8': SUNDRY DEBTORS:		
(Unsecured Considered Good, except other wise stated)		
Debts considered Doubtful	436.31	436.31
Less : Provision for doubtful debts	(436.31)	(436.31)
Debts considered Good		
Debts due for a period exceeding six months	556.78	1,091.94
Other	14,007.93	11,574.65
Total	14,564.71	12,666.59

Particulars	(₹ in Lacs)	
	31st Mar 11	31st Mar 10
SCHEDULE '9': CASH AND BANK BALANCES:		
A) Cash on hand	20.74	36.25
B) Balance With Schedule Bank		
- In Current Account	395.35	1,114.72
- In Deposit Account	758.29	206.70
- In Dividend Account	6.17	6.14
Debit Balance in Cash Credit Account	36.41	-
Total	1,216.96	1,363.81
SCHEDULE '10': LOANS AND ADVANCES:		
(Unsecured considered good except otherwise stated)		
Advances recoverable in cash or in kind or for value to be received		
Considered Good	97.75	38.82
Considered Doubtful	4.44	4.44
Provision for Doubtful debts	(4.44)	(4.44)
Deposits	51.49	42.49
Advances to Suppliers (Considered Good)	2,096.18	1,985.67
Advances to Suppliers (Considered Doubtful)	80.58	80.58
Advances to Suppliers for Capital Goods	507.14	15.04
Balance with Govt. Authorities	281.41	95.66
Total	3,114.55	2,258.26
SCHEDULE '11': CURRENT LIABILITIES:		
Sundry Creditors		
- Micro Small and Medium Enterprises	-	-
- Others	5409.57	3,954.94
Sundry Creditors for Capital Goods	39.64	33.11
Unclaimed Dividends	6.14	6.14
[Does not include any amount due and outstanding, to be credited to "Investor Education and Protection Fund" except ₹ NIL (PY ₹ 0.05 Lacs)]		
Bank Overdraft	56.91	-
Statutory Liabilities	241.68	28.31
Interest accrued but not due	1.37	1.40
Advance from Customers	1,534.98	1,316.83
Total	7,290.29	5,340.73
SCHEDULE '12' : PROVISIONS:		
For Income Tax (Net of advance tax & TDS)	495.80	600.19
For Wealth Tax	0.60	0.35
For Gratuity	27.23	-
Proposed Dividend	195.32	97.66
Tax on Proposed dividend	32.44	16.60
Total	751.39	714.80
SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT		
SCHEDULE '13' GROSS INCOME FROM OPERATIONS:		
a) Manufacturing Sales		
- Domestic	47,731.53	35,580.96
- Export	4,360.62	2,542.01
b) Trading Goods	19.30	253.55
Total	52,111.45	38,376.52

Particulars	(₹ in Lacs)	
	31st Mar 11	31st Mar 10
SCHEDULE '14' : INCREASE/ (DECREASE) IN STOCKS:		
A) Closing Stocks		
- Finished Goods	2,871.71	2,526.88
- Work in Progress	997.77	192.03
Sub-Total (A)	3,869.48	2,718.91
B) Less : Opening Stocks		
- Finished Goods	2,526.88	935.66
- Work in Progress	192.03	190.07
Sub-Total (B)	2,718.91	1,125.73
Total (A-B)	1,150.57	1,593.18
SCHEDULE '15': OTHER INCOME:		
Dividend Income	1.64	0.72
Income from Units of Unit Trust of India	0.49	0.16
Foreign Exchange Fluctuation Gain (Net)	47.12	-
Other Income	64.07	35.93
Rent Income [TDS ₹ 0.99 Lacs (P.Y ₹ 0.23 Lacs)]	10.90	3.19
Interest Income [TDS ₹ 3.62 Lacs (P.Y ₹ 1.37 Lacs)]	19.35	9.41
Total	143.57	49.41
SCHEDULE '16': MATERIALS CONSUMED / TRADING GOODS:		
(a) Raw Material		
Opening Stock	3,715.49	843.59
Purchases	34,813.37	28,184.96
	38,528.86	29,028.55
Less :Closing Stock	6,048.81	3,715.49
Sub Total (A)	32,480.05	25,313.06
B) Trading Goods		
Opening Stock	-	-
Purchases	18.25	263.69
	18.25	263.69
Less: Closing Stock	-	-
Sub Total (B)	18.25	263.69
Total (A+B)	32,498.30	25,576.75
SCHEDULE '17': MANUFACTURING & OTHER EXPENSES:		
A) Stores & Spares Consumed (Including Chemicals, Packing Material & Misc. Item)		
Opening Stocks	725.48	558.92
Add:- Purchases	2,256.51	1,602.68
	2,981.99	2,161.60
Less:- Closing Stock	595.65	725.48
Sub-Total (A)	2,386.34	1,436.12

Particulars	(₹ in Lacs)	
	31st Mar 11	31st Mar 10
B) Power & Fuel	3,548.76	3,305.09
C) Employee's Emoluments		
Salaries & Wages	1,377.44	1,333.65
Staff Emoluments	118.13	53.94
Provident Fund	72.30	81.92
Bonus	32.34	30.19
Gratuity	27.23	1.50
Sub-Total (C)	1,627.44	1,501.20
D) Repairs & Maintenance		
Factory Building	16.29	37.52
Plant & Machinery	524.57	575.34
Others	29.75	75.40
Sub-Total (D)	570.61	688.26
E) Other Manufacturing Expenses		
Excise Duty Provision on Closing Stock of Finished Goods (net)	27.38	43.74
Sub-Total (E)	27.38	43.74
F) Other Expenses		
Selling & Distribution exps.	74.66	10.76
Commission	69.94	65.97
Brokerage & Discount	245.78	183.49
Inland & Export Freight Outward	749.66	352.68
Travelling Conveyance & Vehicle Expenses	101.30	92.07
Legal & Professional Charges.	465.76	145.05
General Expenses	247.40	252.18
Auditors' Remuneration	5.00	3.31
Postage & Telephone Expenses	39.00	28.66
Sales Tax Expenses	2.55	17.57
Loss on Sale of Assets	36.05	-
Rent, Rates & Taxes	75.36	42.59
Insurance Premium Charges	24.73	13.81
Sub-Total (F)	2,137.19	1,208.14
Total (A+B+C+D+E+F)	10,297.72	8,182.55

SCHEDULE '18': INTEREST & FINANCE CHARGES:

(Net of Amount transferred to Capital Expenses)

Interest on Term Loans	632.62	476.71
Interest on Working Capital	1,341.82	636.96
Total Interest on Term Loan & Working Capital	1,974.44	1,113.67
Foreign Exchange Fluctuation Loss (Net)	-	1.13
Other Interest & Finance Charges	821.17	479.77
Total	2,795.61	1,594.57

SCHEDULE '19': RESEARCH AND DEVELOPMENT EXPENSES:

Salaries, Wages and Bonus	88.71	35.48
P.F. & E.S.I.	1.06	0.03
	89.77	35.51
Other Manufacturing Expenses	1.75	1.47
Total	91.52	36.98

SCHEDULE '20' : NOTES FORMING PART OF CONSOLIDATED ACCOUNTS
(A) Significant Accounting Policies :
1. Principles of Consolidation

The Consolidated Financials Statements relate to Anil Limited and its subsidiaries. The consolidated financial statements have been prepared on the following basis:

- a) In respect of the subsidiaries, the financial statements have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating the intra-group balances and unrealized profit/losses on intra-group transactions as per Accounting Standard-AS 21 Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.
- b) The difference between the costs of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries are recognized in the financial statements as goodwill or capital reserve as the case may be.

The Company classifies its foreign operations considering the way in which they are financed and operate in relation to the Company. On a review of the status of the Company's foreign operations in accordance thereto, effective from 20/07/2010 [Anil Bioplus (Europe B.V.)] & 09/08/2010 [Anil Bioplus (Afro Asia)] the classification of foreign subsidiaries are as per "Integral Foreign Operation". During the year, the Company has not exercised the accounting policy related to amortization of foreign exchange fluctuation differences as per the notification dated March 31st 2011 issued by the Ministry of Corporate Affairs, Government of India. As a result,

- a) Income and expenses are translated at the average exchange rates prevailing during the year.
 - b) Monetary items at the year end are restated at the year end rates. Non-monetary foreign currency items are carried at cost.
 - c) The resulting net exchange differences are recognized in the profit and loss account.
 - c) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
 - d) The financial statements of the subsidiaries, in consolidation are drawn up to the same reporting date as that of the Company i.e. March 31, 2011.
2. The subsidiaries considered in the consolidated financial statement as at 31st March 2011 are:

Name of the Subsidiary Company	Country of Incorporation	%of holding either directly or through subsidiaries
Anil (Afro Asia) FZE.	Ajman, UAE	100%
Anil (Europe) B.V.	Netherlands	100%

3. Method of Accounting

The Financial Statements are prepared as per historical cost convention and in accordance with the Generally Accepted Accounting Principles in India, the provisions of the Companies Act, 1956, and the applicable Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006. All Income and Expenditures having material bearing on the Financial Statements are recognized on accrual basis.

4. Use of Estimates

The presentation of the Financial Statements in conformity with the Generally Accepted Accounting policies requires, the management to make estimates and assumptions that affect the reported amount of Assets and Liabilities, Revenues and Expenses and disclosure of contingent liabilities. Such estimation and assumptions are based on management's evaluation of relevant facts and circumstances as on date of Financial Statements. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

5. Revenue Recognition

Sales are stated inclusive of rebate and trade discount and excluding Central Sales Tax, State Value Added Tax. With regard to sale of products, income is reported when practically all risks and rights connected with the ownership have been transferred to the buyers. This usually occurs upon dispatch, after the price has been determined. Export Benefits are accounted on accrual basis.

6. Fixed Assets

Tangible Fixed Assets acquired by the Company are reported at acquisition value, with deductions for accumulated depreciation [other than "freehold land" where no depreciation is charged] and impairment losses, if any. The acquisition value includes the purchase price (excluding refundable taxes), and expenses directly attributable to assets to bring it to the factory and in the working condition for its intended use. Where the construction or development of any such asset requiring a substantial period of time to set up for its intended use, is funded by borrowings if any, the corresponding borrowing cost are capitalized up to the date when the asset is ready for its intended use.

Capital work in progress is stated at Cost.

Pre-operative expenditure & trial run expenditure on the Project is capitalized amongst the various heads of fixed assets on the commencement of commercial production of respective project.

6. Depreciation

- i) Depreciation on Fixed Assets is provided on Straight Line Basis in accordance with the provisions of Section 205(2)(b) of the Companies Act, 1956 in the manner and at the rates specified in Schedule XIV to the said Act.
- ii) Depreciation on additions to Assets during the year is being provided on pro-rata basis with reference to month of acquisition/installation as required by Schedule XIV to the Companies Act, 1956.
- iii) Depreciation on assets sold, scrapped or demolished during the year is provided at their respective rates up to the date on which such assets are sold, scrapped or demolished, as required by Schedule XIV of the Companies Act, 1956.
- iv) No depreciation has been provided in respect of Capital Work in Progress.

7. Excise Duty

Excise Duties recovered are included in the sale of products. Excise duties in respect of Finished Goods lying in stock are shown separately as an item of Other Manufacturing Expenses and included in the valuation of finished goods.

8. Cash Flow Statement

The Cash Flow Statement is prepared by the "indirect method" set out in Accounting Standard 3 on "Cash Flow Statements" and presents the cash flows by operating, investing and financing activities of the Company.

Cash and Cash equivalents presented in the Cash Flow Statement consist of cash on hand and demand deposits with banks

9. Foreign Currency Transactions

Transactions in the foreign currency which are covered by forward contracts are accounted for at the contracted rate; the difference between the forward rate and the exchange rate at the date of transaction is recognized in the profit & loss account over the life of the contract. Transactions in the foreign currency other than those covered by forward contract rates are translated to the reporting currency based on the exchange rate on the date of the transaction. Exchange differences arising on settlement thereof during the year are recognized as income or expenses in the Profit and Loss Account. Cash and bank balances, receivables and liabilities (monetary items) in foreign currencies as at the yearend are translated at closing-date rates, and unrealized translation differences are included in the Profit and Loss Account

10. Investments

- a) Investments are classified as Long Term & Current Investments. Long Term Investments are valued at cost less provision for diminution other than temporary, in value, if any. Current Investments are valued at cost or fair value whichever is lower.
- b) Investment in the shares of Foreign subsidiaries are expressed in Indian currency at the rates of exchange prevailing at time when the investment was made.

11. Valuation of Inventories

- i) Raw materials are valued at cost or net realizable value whichever is lower.
- ii) Work in progress has been valued at cost of materials and labour charges together with relevant factory overheads.

- iii) Finished Goods are valued at cost or net realizable value whichever is lower. (Inclusive Excise Duty).
- iv) Stores & Fuel are valued at cost or net realizable value whichever is lower.

12. Earning per Share

Basic earning per share is calculated by dividing the net profit after tax for the year attributable to Equity Shareholders of the Company by the weighted average number of Equity Shares in issue during the year. Diluted earning per Share is calculated by dividing net profit attributable to equity Shareholders (after adjustment for diluted earnings) by average number of weighted equity shares outstanding during the year.

13. Taxation

Income –tax expense comprises of current tax, and deferred tax charge or credit. Provision for current tax is made on the basis of the assessable income at the tax rate applicable to the relevant assessment year. The deferred tax asset and deferred tax liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets arising mainly on account of brought forward business losses, capital losses and unabsorbed depreciation under tax laws, are recognized, only if there is a virtual certainty of its realization, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognized only to the extent there is a reasonable certainty of its realization. At each balance sheet date, the carrying amount of deferred tax assets is reviewed to reassure realization.

14. Provisions & Contingencies

A provision is recognized when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding long term benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized but are disclosed in the notes to the Financial Statements. A contingent asset is neither recognized nor disclosed.

15. Leases

Lease Transactions entered into on or after April 1, 2001.

- (1) Assets acquired under lease where the Company has substantially all the risks and rewards incidental to ownership are classified as finance leases. Such assets are capitalized at the inception of the Lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.
- (2) Assets acquired on lease where a significant portion of risk and rewards incidental to ownership is retained by the leaser are classified as operating lease. Lease rental are charged to the profit and loss account on accrual basis.

16. Borrowing Cost

Borrowing costs are recognized in the period to which they relate, regardless of how the funds have been utilized, except where it relates to the financing of construction or development of assets requiring a substantial period of time to prepare for their intended future use. Interest on borrowings if any is capitalized up to the date when the asset is ready for its intended use. The amount of interest capitalized for the period is determined by applying the interest rate applicable to appropriate borrowings

17. Research & Development Expenditure

Research & Development Expenditure is charged to revenue. Capital expenditure on research and development is reported as fixed assets under the relevant head. Depreciation on research and development fixed assets are not classified as research and development expenses and instead included under depreciation expenses.

18. Proposed Dividend & Corporate Dividend Tax

Dividend proposed by the Board of Directors along with corporate dividend tax is provided in the books of accounts. Approval in the General Meeting is pending for the same.

(B) NOTES FORMING PART OF THE ACCOUNTS:**1. Contingent Liability / Capital commitments not provided for in respect of:**

	(₹ In Lacs)	
	As at 31st March, 2011	As at 31st March, 2010
Contingent Liabilities		
Claims against the Company not acknowledged as Debts	22.88	22.88
Disputed Sales Tax Demands – matter under appeal	47.23	47.23
Disputed Excise Demand – matter under appeal	259.48	273.94
Disputed Income Tax Liability – matter under appeal	71.62	6.43
Guarantees of ₹ 2000 Lacs (P.Y. ₹ 2000 Lacs) given by the Company for loan taken by others from banks The balance outstanding is	2000.00	2000.00
Guarantee limits of ₹ 157 Lacs (Previous year ₹ 157.00 lacs)	157.00	157.00

2. Financial and derivative instruments

Derivative Contract enter into by the company and outstanding as at March 31, 2011

(a) For hedging currency

	(₹ In Lacs)	
Particular	As at March 31, 2011	As at March 31, 2010
Out Standing Forward Contract	627.16	309.38

(b) The Company uses forward contracts to hedge its risk associated with foreign currency fluctuation. The Company does not use forward contracts for speculative purposes.**(c)** The yearend foreign currency exposure that have not been hedged by any derivative instruments or otherwise are as under

Particular	Amount receivable in Foreign Currency	Amount Payable in Foreign Currency
Foreign Currency in Millions		
31-03-2011	US \$0. 678	Nil
31-03-2010	US \$ 0. 670	Nil
Indian Currency in lacs		
31-03-2011	302.49	Nil
31-03-2010	301.00	Nil

3. Related Party disclosure as required by AS-18:

NAME OF THE RELATED PARTIES AND NATURE OF RELATIONSHIP WHERE CONTROL EXISTS

SR NO. NAME OF RELATED PARTY**(I) ASSOCIATE COMPANY/ENTERPRISES WHERE COMMON CONTROL EXISTS**

- 1 Anil Bioplus Ltd. (Previously known as Anil Biochem Ltd.)
- 2 Anil Tradecom Ltd.
- 3 Anil Mines & Minerals Ltd. (Formerly Known as Anil Commodities Limited)
- 4 Agranyl Marketing Ltd.
- 5 Aught Investments Pvt. Ltd.
- 6 Rahil Marketing Pvt. Ltd.
- 7 Agallochun Investments Pvt. Ltd.
- 8 Naimesh Trading Pvt. Ltd.
- 9 Anil Hospitality Ventures Ltd.
- 10 Bharti Consumer Marketing Pvt. Ltd.
- 11 Ascent Knowledge Systems Ltd.
- 12 Anil Nutrients Limited
- 13 Anil Technoplus Limited
- 14 Anil Infraplus Limited
- 15 Anil Life science Limited

(II) KEY MANAGEMENT PERSONNEL

- 1 SHRI SHRIPAL C. SHETH CHAIRMAN & MANAGING DIRECTOR (ceased w.e.f. 26.12.2010)
 2 SHRI AMOL S. SHETH MANAGING DIRECTOR

(III) RELATIVES OF KEY MANAGEMENT PERSONNEL

- 1 SHRI SHREYAS C. SHETH : [Brother of Late Shri Shripal C.Sheth]

(IV) ENTERPRISE IN WHICH RELATIVE OF KEY MANAGEMENT PERSONNEL ARE INTERESTED

- 1 AMOL DICALITE LTD

The following transactions were carried with the related parties in the ordinary course of business

(₹ In Lacs)

PARTICULARS	ASSOCIATES		KEY MANAGEMENT PERSONNEL		RELATIVES OF KEY MANAGEMENT PERSONNEL		TOTAL	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
(I) VOLUME OF TRANSACTIONS								
(A) PURCHASE OF GOODS								
AMOL DICALITE LTD	-	-	-	-	65.23	56.10	65.23	56.10
ANIL BIOPLUS LTD	0.09	-	-	-	-	-	0.09	-
ANIL MINES AND MINERALS LTD. (Previously known as ANIL COMMODITIES LTD.)	30289.37	26065.76	-	-	-	-	30289.37	26065.76
ANIL TRADECOM LTD	556.09	356.70	-	-	-	-	556.09	356.70
AGRANIL MARKETING LIMITED	470.23	641.14	-	-	-	-	470.23	641.14
RAHIL MARKETING PVT LTD	0.66	90.36	-	-	-	-	0.66	90.36
ANIL NUTRIENTS LTD	262.57	444.27	-	-	-	-	262.57	444.27
ASCENT KNOWLEDGE SYSTEM LTD.	265.66	55.25	-	-	-	-	265.66	55.25
(B) PURCHASE OF CAPITAL GOODS								
ANIL INFRAPLUS LTD	3324.06	2143.76	-	-	-	-	3324.06	2143.76
(C) SALES OF GOODS								
ANIL BIOPLUS LTD	273.13	199.47	-	-	-	-	273.13	199.47
ANIL NUTRIENTS LTD	1880.83	1956.54	-	-	-	-	1880.83	1956.54
ANIL HOSPITALITY VENTURES LTD.	0.16	-	-	-	-	-	0.16	-
(D) UTILITY SERVICES								
ANIL BIOPLUS LTD	327.97	77.24	-	-	-	-	327.97	77.24
SALE OF FIXED ASSETS								
ANIL TECHNOPLUS LTD.	110.00	-	-	-	-	-	110.00	-
(E) REIMBURSEMENT OF EXPENSES								
ANIL BIOPLUS LTD	70.50	86.18	-	-	-	-	70.50	86.18
ANIL HOSPITALITY VENTURES LTD	21.66	8.94	-	-	-	-	21.66	8.94
(F) INTERCORPORATE DEPOSITS TAKEN								
ANIL TRADECOM LTD	-	280.00	-	-	-	-	-	280.00
ANIL MINES AND MINERALS LTD. (Previously known as ANIL COMMODITIES LTD.)	-	1625.00	-	-	-	-	-	1625.00
(G) SALES OF INVESTMENTS								
AGRANIL MARKETING LIMITED	-	1.80	-	-	-	-	-	1.80
AUGHT INVESTMENTS PVT.LTD	-	1.85	-	-	-	-	-	1.85
BHARTI CONSUMER MARKETING PVT.LTD.	-	4.18	-	-	-	-	-	4.18
AGALLOCHUN INVESTMENTS PVT LTD	-	4.18	-	-	-	-	-	4.18
ANIL COMMODITIES LTD.	2.00	-	-	-	-	-	2.00	-
ANIL TRADECOMM LTD	2.00	-	-	-	-	-	2.00	-
(H) REPAYMENT OF LOAN TAKEN								
ANIL MINES AND MINERALS LTD. (Previously known as ANIL COMMODITIES LTD.)	1625.00	1625.00	-	-	-	-	1625.00	1625.00
ANIL TRADECOM LTD	280.00	280.00	-	-	-	-	280.00	280.00
NAIMISH TRADING PVT LTD	1.25	-	-	-	-	-	1.25	-
(I) LOAN SQUARE OFF								
RAHIL TRADING PVT.LTD.	-	3.81	-	-	-	-	-	3.81
(J) PAYMENT OF INTEREST								
ANIL TRADECOM LTD	0.09	5.15	-	-	-	-	0.09	5.15
ANIL MINES AND MINERALS LTD. (Previously known as ANIL COMMODITIES LTD.)	0.53	22.13	-	-	-	-	0.53	22.13
NAIMESH TRADING PVT LTD	0.42	0.15	-	-	-	-	0.42	0.15
(K) RENTAL INCOME								
ANIL BIOPLUS LTD	0.96	-	-	-	-	-	0.96	-
ANIL INFRAPLUS LTD	9.00	2.25	-	-	-	-	9.00	2.25

(₹ In Lacs)

PARTICULARS	ASSOCIATES		KEY MANAGEMENT PERSONNEL		RELATIVES OF KEY MANAGEMENT PERSONNEL		TOTAL	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
(L) REMUNERATION TO DIRECTORS								
SHRIPAL C.SHETH	-	-	128.61	100.09	-	-	128.61	100.09
AMOL S. SHETH	-	-	171.10	100.73	-	-	171.10	100.73
KAMAL SHETH	-	-	0.21	0.06	-	-	0.21	0.06
ANISH SHAH	-	-	0.21	0.06	-	-	0.21	0.06
INDIRABEN J PARIKH	-	-	0.03	0.03	-	-	0.03	0.03
(M) CORPORATE GUARANTEES								
ANIL MINES AND MINERALS LTD. (Previously known as ANIL COMMODITIES LTD.)	2000.00	2000.00	-	-	-	-	2000.00	2000.00
(II) BALANCE AT THE END OF THE PERIOD								
(A) UNSECURED LOANS								
ANIL MINES AND MINERALS LTD. (Previously known as ANIL COMMODITIES LTD.)	-	1625.00	-	-	-	-	-	1625.00
ANIL TRADECOM LTD	0.08	280.00	-	-	-	-	0.08	280.00
NAIMESH TRADING PVT LTD	-	1.25	-	-	-	-	-	1.25
(B) CURRENT LIABILITIES								
AMOL DICALITE LTD	12.47	12.30	-	-	-	-	12.47	12.30
ANIL MINES AND MINERALS LTD. (Previously known as ANIL COMMODITIES LTD.)	2044.68	-	-	-	-	-	2044.68	-
ANIL TRADECOME LTD	788.22	-	-	-	-	-	788.22	-
AGRANIL MARKETING LIMITED	348.53	2.09	-	-	-	-	348.53	2.09
ANIL HOSPITALITY VENTURES LTD	1.38	1.93	-	-	-	-	1.38	1.93
NAIMESH TRADING PVT LTD	0.42	0.42	-	-	-	-	0.42	0.42
ANIL INFRAPLUS LTD	-	3.77	-	-	-	-	-	3.77
ANIL TECHNOPLUS LTD.	0.54	-	-	-	-	-	0.54	-
ANIL NUTRIENTS LTD.	44.25	-	-	-	-	-	44.25	-
AGRANIL MARKETING Div. of ANIL NUTRIENTS LTD	80.23	-	-	-	-	-	80.23	-
(C) INVESTMENTS								
ANIL TRADECOM LTD.	-	2.00	-	-	-	-	-	2.00
ANIL COMMODITIES LTD.	-	2.00	-	-	-	-	-	2.00
(D) LOANS & ADVANCES								
ANIL MINES AND MINERALS LTD. (Previously known as ANIL COMMODITIES LTD.)	1339.76	2005.26	-	-	-	-	1339.76	2005.26
BHARTI CONSUMER MARKETING PVT LTD	-	12.50	-	-	-	-	-	12.50
ANIL TRADECOM LTD	-	16.37	-	-	-	-	-	16.37
ASCENT KNOWLEDGE SYSTEM LTD	2.98	16.27	-	-	-	-	2.98	16.27
ANIL INFRAPLUS LTD	507.14	-	-	-	-	-	507.14	-
RAHIL MARKETING PVT. LTD.	11.20	11.20	-	-	-	-	11.20	11.20
ZERO COUPON CONVERTIBLE DEBENTURES								
ANIL MINES AND MINERALS LTD	1625.00	-	-	-	-	-	1625.00	-
ANIL NUTREINTS LTD	400.00	-	-	-	-	-	400.00	-
AGRANIL MARKETING LTD	375.00	-	-	-	-	-	375.00	-
AUGHT INVESTMENTS PVT LTD	980.00	-	-	-	-	-	980.00	-
(E) DEBTORS								
ANIL BIOPLUS LTD.	349.96	76.93	-	-	-	-	349.96	76.93
AUGHT INVESTMENTS PVT LTD	-	24.16	-	-	-	-	-	24.16
ANIL NUTRIENTS LTD	-	229.41	-	-	-	-	-	229.41
AGRANIL MARKETING Div. of ANIL NUTRIENTS LTD	-	268.30	-	-	-	-	-	268.30
BHARTI CONSUMER MARKETING PVT LTD	-	25.00	-	-	-	-	-	25.00
ABLOOM INVESTMENT PVT.LTD.	4.38	4.38	-	-	-	-	4.38	4.38

4. Leases:

- (I) In accordance with accounting standard 19 'Leases' issued by the Institute of Chartered Accountants of India, the assets acquired on finance lease on or after April 1, 2001 are capitalized and a loan liability recognized. Consequently, depreciation is provided on such assets. Installments paid are allocated to the liability and the interest is charged to the Profit & Loss Account.

- (II) Assets acquired on Lease agreements mainly comprise of Computers and Sap Software. The agreements provide for reimbursement of taxes, levy, etc. imposed by any authorities in future. There are no exceptional/restrictive covenants in the Lease Agreements.

The minimum installments as at 31st March, 2011 and the present value as at 31st March 2011 of minimum installments in respect of assets acquired under the Lease Agreements are as follows:

	(₹ in Lacs)	
	As at 31st March, 2011	As at 31st March, 2010
Minimum Installments		
i) Payable not later than 1 year	12.02	18.30
ii) Payable later than 1 year and not later than 5 years	-	25.72
iii) Payable later than 5 years	-	-
Total minimum installments	12.02	44.02
Less: Future finance charges	-	-
Present value of minimum installments	12.02	44.02
Present Value of Minimum Installments		
i) Payable not later than 1 year	-	-
ii) Payable later than 1 year and not later than 5 years.	-	-
iii) Payable later than 5 years	-	-
Present value of minimum installments	-	-

5. Calculations of Earnings Per Share (EPS)

Particular	31/03/11 (₹ in Lacs)	31/03/10 (₹ in Lacs)
A. Profit after tax attributable to Shareholders	4013.09	2399.22
B. No. of Equity Shares as at the beginning of the year	97,66,166	74,00,000
C. 23,66,166 Warrants converted in to equity shares 11/04/2009 (fully paid up)	-	23,01,340
D. Weighted Average Equity Shares for the year	97,66,166	97,01,340
E. Basic and Diluted EPS (Price Per Share ₹ 10)	41.09	24.57

6. Deferred Tax Assets/(Liability).

The breakup of Deferred Tax as at 31.03.2011 is as under.

Particular	(₹ In Lacs)	
	31-03-2011	31-03-2010
Deferred tax assets		
- Others	0.00	41.06
	[A] 0.00	41.06
Deferred tax liabilities		
- Depreciation Difference	1944.58	1668.45
	[B] 1944.58	1668.45
NET DEFERRED TAX LIABILITY	[A-B] (1944.58)	(1627.38)

7. As this being first year of operation of Subsidiaries, previous years figures of Subsidiaries are not taken for Consolidated purpose, and hence not comparable.

As per our report of even date attached

For Parikh & Majmudar

Chartered Accountants

Hiten Parikh

Partner

M. No. 40230

FRN No. 107525W

Place : Ahmedabad

Date : 12/05/2011

Chandresh Pandya
Company Secretary

For and on behalf of the Board of Directors

Amol Sheth

Chairman & Managing Director

Kamal Sheth

Director

Dipal Palkhiwala

Chief Financial Officer

N O T I C E

Notice is hereby given that the Annual General Meeting of the members of **ANIL LIMITED** will be held at Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad 380 015, on Friday, the 9th day of September, 2011 at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2011 and the Profit & Loss Account for the year ended on that date with the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity shares.
3. To appoint a Director Shri Anish K. Shah, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint the Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

5. **To consider and if thought fit to pass with or without modification the following Resolution as a Special Resolution:**

Classification of Unclassified shares in Authorised Capital of the Company and alteration of Clause V of the Memorandum of Association of the Company.

“**RESOLVED THAT** pursuant to the provisions of Section 16, 94 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory amendment, modification or re-enactment thereof, for the time being in force) consent of the members be and is hereby accorded to classify 5,00,000 (Five Lacs) Preference Shares of Rs. 100/- each from the existing Unclassified Shares of Rs. 10 Crores in Authorised share Capital of the Company.

“**RESOLVED FURTHER THAT** the Memorandum of Association of the Company be suitably altered by substituting the existing Clause V with the revised Clause V which reads as under:

- V The Authorised Share Capital of the Company is Rs. 60,00,00,000/- [Rupees Sixty Crores only] divided into 2,00,00,000 (Two Crores) Equity Shares of Rs. 10/- [Rupees Ten only] each, 35,00,000 (Thirty Five Lacs) Preference Shares of Rs. 100/- (Rupees One Hundred only) each and 50,00,000 (Fifty Lacs) Unclassified Shares of Rs. 10/- (Rupees Ten Only) each, with the power to the Board to increase or reduce the capital of the Company and / or the nominal value of the shares and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions with or without voting rights, as may be determined by or in accordance with Articles of Association of the Company or as may be decided by the Board of Directors or the Company in General Meeting, as applicable, in conformity with the provisions of the Act and to issue shares of higher or lower denominations in such manner as may for the time being be provided by the Articles of Association of the Company;

“**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, any Director of the Company or the Company Secretary of the Company be and is hereby severally authorised to do all such acts, deeds, matters and things as they may in their absolute discretion deem expedient, necessary, fit or proper in connection therewith or incidental thereto and to settle all/any questions, doubts or difficulties which may arise in this regard.”

6. **To consider and if thought fit to pass with or without modification the following Resolution as a Special Resolution:**

Issue of Redeemable preference shares:

“**RESOLVED THAT** pursuant to the provisions of Section 80 & 81 and such other applicable provisions of the Companies Act 1956, the Board of Directors of the Company be and is hereby authorized to create, offer, issue and allot from time to time in one or more tranches, up to 33,80,000 (Thirty Three Lacs Eighty Thousand) 8% Redeemable Preference Shares of Rs. 100/- each redeemable at any time after 10 years but before 20 years from the date of allotment of Preference Shares to Promoters or Promoter Group Companies on preferential basis on such terms and conditions as may be decided by the Board of Directors of the Company.”

“**RESOLVED FURTHER THAT** the Directors of the Company be and are hereby authorized to issue and allot preference shares on preferential basis, to decide, define and alter all and any terms of issue, allotment, redemption and other terms as may be agreed upon by the Board of Directors as well as the allottees in future during the currency of the preference shares and also to do such of the acts and deeds as may be necessary to implement the above resolution.”

7. To consider and if thought fit to pass with or without modifications the following Resolution as a Special Resolution:

Re appointment of Shri Amol Sheth as Managing Director of the Company, to be designated as Chairman & Managing Director of the Company:

“**RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309 and 311 and other applicable provisions, if any of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the re-appointment of Shri Amol Sheth as a Managing Director and to be designated as a Chairman & Managing Director of the Company for a period of 5 years from the date 18th October, 2011, on the terms and conditions, remuneration and perquisites as set out in the Explanatory Statement.

8. To consider and if thought fit to pass with or without modifications, the following resolution as a Special Resolution:

Alteration of Common Seal Clause of Articles of Association

“**RESOLVED THAT** pursuant to Section 31 of the Companies Act, 1956, and approval of shareholders of the Company, the Articles of Association of the Company be altered by substituting the following article for the Article No. 166.”

Article No. 166

The seal, its custody and use:

“the Board shall provide for the safe custody of the Seal and the Seal shall not be affected to any instrument except by the authority of a resolution of the Board or a Committee of the Board authorized by it in that behalf and save as provided in Article 25 hereof except in the presence of one Director or two officers authorized by the Board or Committee of Board for the purpose, who shall sign every instrument to which the seal is affixed. Provided nevertheless that any instrument bearing the seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority of the Board to issue the same.”

“**RESOLVED FURTHER THAT** the existing Articles of Association of the Company, duly modified as aforesaid, or as per any modification suggested by any appropriate authority and accepted by the Board, be adopted as Articles of Association of the Company.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors and / or the Company Secretary of the Company, be and hereby severally authorized to do all such acts, deeds, matters and things as may be necessary and settle any or all questions / matters arising with respect to the above matter, and to execute all such deeds, documents, agreements and writings as may be necessary for the purpose of giving effect to this resolution, take such further incidental and ancillary steps in this regard, as may be considered desirable or expedient by the Board in the best interest of the Company and its shareholders.”



ANIL LIMITED

Registered Office:

P. O. Box – 10009,
Anil Road,
Ahmedabad – 380 025
Place : Ahmedabad
Date : August 12, 2011

**BY ORDER OF THE BOARD
For ANIL LIMITED**

**Chandresh Pandya
Company Secretary**

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY AND INSTRUMENT APPOINTING PROXY SHOULD REACH THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING
2. As required under Clause 49 of the listing agreement, brief information of director seeking re-appointment at the ensuing Annual General Meeting is given in the Directors Report.
3. Members are requested to notify immediately any change in their address to the Depository Participant with whom they maintain the demat account for shares held in electronic mode and to the Company's Registrar and Transfer Agents for shares held in physical mode.
4. THE REGISTER OF MEMBERS AND TRANSFER BOOK OF THE COMPANY WILL REMAIN CLOSED FROM TUESDAY THE 6TH DAY OF SEPTEMBER, 2011 TO FRIDAY THE 9TH DAY OF SEPTEMBER, 2011 (BOTH DAYS INCLUSIVE)
5. The Dividend as recommended by the Board of Directors of the Company, when sanctioned and declared at the Annual General Meeting of the Company will be made payable to the equity shareholders of the Company whose names stand registered on the Company's Register of Members :
 - in respect of shares held in electronic form, to those members whose names appear in the statements of beneficial ownership furnished by National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the opening hours of September 6, 2011.
 - to those members whose names appear on the Company's register of members, after giving effect to all valid share transfers in physical form lodged with M/s. Link Intime India Pvt. Ltd., Registrar and Share Transfer Agent of the Company before September 6, 2011.
6. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
7. Trading in the shares of the Company is compulsory in dematerialized form for all investors. There are number of advantages in keeping shares in dematerialized mode like no stamp duty, no/ lesser risks of delays/ loss in transit/ theft/ mutilation/ bad deliveries, no courier/ postal charges and immediate transfer. Hence, we request all those shareholders who have still not dematerialized their shares to get their shares dematerialized at the earliest.

Registered Office:

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Place : Ahmedabad
Date : August 12, 2011

**BY ORDER OF THE BOARD
For ANIL LIMITED**

**Chandresh Pandya
Company Secretary**

Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956

ITEM NO. 5

In view of future business plans of the Company the Board considered it necessary to classify as 5,00,000 Preference Shares of Rs. 100/- each out of total Unclassified shares Rs. 10 Crores in the Authorised Share Capital of the Company and consequently to alter Clause V of the Memorandum of Association of the Company.

The provisions of the Companies Act, 1956 require the Company to seek approval of the members for alteration of

Capital Clause of the Memorandum of Association of the Company as mentioned at Item No. 5 of this notice.

The draft amended copy of the Memorandum of Association of the Company is available for inspection at the Registered Office of the Company on any working day during business hours.

The Board of Directors recommends the Resolutions set out at Item No. 5 of the accompanying Notice for the approval of the Members.

None of the Directors of the Company are interested in the proposed resolution except to the extent of their shareholding in the Company.

ITEM NO. 6

The Company is presently engaged in the activity of manufacturing of starch and other allied products. However, as a matter of expansion in the present line of business by value added products, the Company intends to increase its capacities of production. Similarly the Company also requires funds for general corporate purposes as well as for its working capital requirements and the Board of Directors consider that the financial requirements will be funded by preference shares as stated in the resolution.

In this regard it is proposed to issue 8% Redeemable preference shares of Rs. 100/- each which are redeemable after 10 years but before 20 years from the date of allotment on preferential basis to Promoters or Promoter Group Companies as may be deemed fit by the Board of Directors in the best interests of the Company. It was also necessary to grant powers to the Board of Directors to decide, define and alter all and any terms of issue, allotment, redemption and other terms as may be agreed upon by the Board of Directors as well as the allottees in future during the currency of the preference shares

The proposed special resolution seek the enabling authorization of the Members of the Company to the Board of Directors, without the need of any further approval from members, to issue preference shares. Pursuant to the above, the Board may, in one or more tranches, issue and allot Preference Shares.

The Board of Directors recommends the Resolutions set out at Item No. 6 of the accompanying Notice for the approval of the Members.

None of the Directors of the Company is, in any way, concerned or interested in the said Resolution, except to the extent of their shareholding.

ITEM NO. 7

The present term of Shri Amol Sheth as Managing Director of the Company is up to 17th October, 2011. The Board of Directors and Remuneration Committee in their meeting held on August 12, 2011 approved his reappointment for a further period of five years from 18th October, 2011. In view of death of Shri Shripal Sheth, Chairman of the Company, the Board has appointed Shri Amol Sheth as a Chairman of the Company also and to be designated as Chairman & Managing Director of the Company. Shri Amol Sheth, aged about 43 years, is Commerce Graduate and has done various management/leadership courses in India and USA. He has been in the business for more than 15 years and has been involved in all the facets of the business operations and management.

The material terms of remuneration payable to him are as under:

I. (a) Basic Salary: ₹ 5,00,000/- p.m.

(b) Perquisites:

In addition to the salary the following perquisites shall be payable to the Chairman & Managing Director:

- (i) Fully furnished house or House Rent Allowance in lieu thereof.
- (ii) Expenditure incurred on gas, electricity, water and servants etc.,
- (iii) Mediclaim Policy, Personal Accident Insurance, Leave Travel Concession and Club Fees as per the Rules of the Company.
- (iv) Allowances amounting to Rs. 8,25,000/- per annum.

Perquisites payable to Chairman & Managing Director shall be valued as per Income Tax Rules, wherever applicable and in the absence of any such Rules, perquisites shall be valued at actual costs.

The salary and perquisites as mentioned herein above shall be exclusive of:

- i. Contribution to Provident Fund, Superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
 - ii. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and
 - iii. Encashment of leave at the end of the tenure.
- II. Commission: Commission @ 5% of the net profit of the Company computed in the manner laid down under the provisions of the Companies Act 1956 and also subject to discretion of the Board at the time of close of the relevant financial year of the Company and the applicable provisions of Companies Act, 1956.

Apart from remuneration Chairman & Managing Director will be entitled to:

- a. Free use of the Company's Car with driver for the business of the Company.
 - b. Free telephone facility at residence.
 - c. Reimbursement of expenses actually and properly incurred by him for the business of the Company.
- III. The remuneration mention above is within the limits prescribed under Section 198 & 309 of the Companies Act, 1956 and the Company has sufficient net profits to pay remuneration as mentioned above.

The above Explanatory Statement sets out an abstract of the material terms of the contract with Managing Director and the same be treated as an abstract of Memorandum of interest in accordance with Section 302 of the Companies Act, 1956.

The Board of Directors recommends this resolution for your consideration and approval.

None of the Directors of the Company except Shri Amol Sheth is, in any way, concerned or interested in the said Resolution.

ITEM NO. 8

The present Articles of the Company restricts a person not being the Director of the Company to sign any instrument wherein the common seal of the Company has been affixed. The reason for the proposed alteration / replacement of Clause 166 in the Articles of Association is to prevent such situation where Director is not readily available to sign the instrument wherein the common seal is to be affixed.

The Board accordingly recommends the resolution as set out in Item No. 8 of the Notice for the approval of the shareholders by way of a special resolution.

None of the Directors of the Company is, in anyway, concerned or interested in the aforesaid resolution, except to the extent of their shareholding.

Registered Office:

P. O. Box – 10009,
Anil Road,
Ahmedabad – 380 025
Place : Ahmedabad
Date : August 12, 2011

BY ORDER OF THE BOARD
For ANIL LIMITED

Chandresh Pandya
Company Secretary



ATTENDANCE SLIP

ANIL LIMITED

Registered Office: Anil Road, Ahmedabad- 380 025.

Folio No. _____ DPID No. _____ Client ID No. _____

Name and address of Shareholder: _____

No. of Share(s) held: _____

I hereby record my presence at the ANNUAL GENERAL MEETING of the Company held at Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 009 at 10.00 a.m. on Friday, the 9th September, 2011.

Signature of the member/proxy/
Representative attending the meeting _____

Notes : Please fill in the Attendance Slip and hand it over at the entrance of the meeting venue.

FORM OF PROXY

ANIL LIMITED

Registered Office: Anil Road, Ahmedabad - 380 025

I/We _____ of _____ being a Member(s) of the Anil Limited hereby appoint _____ of _____ or failing him _____ of _____ as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of Anil Limited to be held at 10.00 a.m. on Friday, the 9th September, 2011 and at any adjournment thereof.

Folio No. _____ DPID No. _____ Client ID No. _____

No. of Share(s) held: _____

Signed this _____ day of _____ 2011 Signature _____

Affix
Rs. 1/-
Revenue
Stamp

Notes:

- 1) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself.
- 2) A Proxy need not to be a Member of the Company.
- 3) The completed form should be deposited at the Registered Office of the Company at Anil Road, Ahmedabad - 380 025, at least 48 hours before the time for holding the meeting.

BOOK-POST



Anil Limited

P.O. Box. : 10009, Anil Road, Ahmedabad - 380025 Gujarat. INDIA

Phone : +91 79 2220 3222 Fax : +91 79 2220 0731

Website : www.anil.co.in